

FIFTH DAY.

(Continued.)

(Tuesday, July 9, 1929.)

The House met at 10 o'clock a. m. and was called to order by Speaker Barron.

OATH OF OFFICE ADMINISTERED.

The Speaker announced that Hon. J. S. Magee, Representative-elect from the Thirty-third District, to take the place of Hon. Travis Smith, resigned, was within the bar of the House and that the constitutional oath of office would now be administered to him.

The following members were appointed to escort the Hon. J. S. Magee to the Speaker's stand:

Messrs. Johnson of Smith, Renfro and Williams of Sabine.

The committee having performed their duty, the constitutional oath of office was then administered to Mr. Magee.

Speaker Barron then presented Mr. Johnson of Smith who in turn introduced Mr. Magee to the House.

Mr. Magee then addressed the House.

MESSAGE FROM THE SENATE.

Senate Chamber,
Austin, Texas, July 9, 1929.

Hon. W. S. Barron, Speaker of the House of Representatives.

Sir: I am directed by the Senate to inform the House that the Senate has passed

S. B. No. 1, A bill to be entitled "An Act making an appropriation of the sum of \$100,000 or so much thereof as may be necessary out of the general revenue, to pay the per diem and mileage of members, the per diem of officers and employees and the contingent expenses of the Third Called Session of the Forty-first Legislature."

Respectfully,

MORRIS C. HANKINS,
Assistant Secretary of the Senate.

EMPLOYEES ANNOUNCED.

The Speaker announced the appointment of the following employees:

Oveta Culp, Parliamentarian.

Maude Nowlin, secretary to Speaker.

Scott Keeling, page to Speaker.

Lillian Patterson, secretary to Chief Clerk.

James Wiginton, clerk to Chief Clerk.

Jessie Neal, clerk to Committee on Contingent Expenses.

Delphine Moore, stenographer to Committee on Contingent Expenses.

Mrs. Susie Rudasill, Warrant Clerk.

Gussie Evans, Assistant Journal Clerk.

Burck Smith, assistant to Calendar Clerk.

A. K. Daniels, clerk to Committee on Enrolling and Engrossing Bills.

Ran Roberts, assistant to Sergeant-at-Arms.

Fernando Williams, Doorkeeper for bar of House.

Sam Pharr, Sergeant-at-Arms for gallery.

Mrs. Norine Crosby, superintendent of stenographers.

T. L. Childs, clerk to Committee on Appropriations.

Miss Lucy Read, mailing clerk.

Grace Caruthers, assistant mailing clerk.

Mrs. R. W. Rike, assistant mailing clerk.

Emmet Davis, page for Engrossing and Enrolling Divisions.

Ernest Smith, page for stenographic force.

Mrs. Olan Van Zandt, secretary to Mr. Van Zandt of Grayson county.

J. T. Hamilton, bookkeeper to Sergeant-at-Arms.

Aaron Taylor, mimeograph operator.

Charles Kramer, page to mailing clerks.

Fred Senter, storekeeper to Sergeant-at-Arms.

Billie Davis, clerk to Sergeant-at-Arms.

Mrs. W. M. Dickinson, Superintendent of House.

Bolin Stanley, night watchman.

Lynwood Boyette, elevator man.

Lawrence Ledbetter, chief operator of voting machine.

A. M. Gribble, assistant operator of voting machine.

Ross Terry, telegraph and telephone clerk.

Tillman Dodd, doorkeeper for rear entrance of House.

CHANGE IN APPROPRIATION COMMITTEE ANNOUNCED.

The Speaker announced the appointment of Mrs. Negley on the Appropriations Committee, to take the place of Mr. Kayton.

MESSAGE FROM THE GOVERNOR.

Mr. Mark Wiginton, assistant secretary to the Governor, appeared at the bar of the House, and being duly announced, presented the following mes-

sage from the Governor, which was read to the House, as follows:

Executive Office,
Austin, Texas, July 9, 1929.

To the Forty-first Legislature.

Ladies and Gentlemen: At this time there are appropriations to be paid out of the general revenue fund, for which warrants have not been drawn, amounting to the sum of \$6,727,705.64. The balance in the Treasury to the credit of the general revenue fund on July first was \$2,312,736.48. Therefore, the outstanding and unpaid appropriations at this time exceed the balance in the general revenue fund, as of July 1, 1929, by the sum of \$4,414,969.16. There will be some collections made during the months of July and August. During these months last year there was collected for the general revenue fund the sum of \$2,152,157.43. In calculating the revenue available for the next two fiscal years you must take into account the amount of present outstanding appropriations which will be paid after the end of the present fiscal year. The amount of these outstanding appropriations which will be paid after September first of necessity constitute a charge against the prospective income for the next two fiscal years. After taking into account the possible collections coming to the general revenue fund during July and August, it appears that the present outstanding appropriations exceed the revenue to the end of the present fiscal year by approximately \$2,200,000. Of course, all of these appropriations may not be used, but there is no accurate basis of estimating what will and what will not be used. To be safely within the revenues it is proper to contemplate that what cannot be paid before September first will have to be paid after September first. It would seem that at least \$1,000,000 would have to be paid out of next year's revenue.

From September 1, 1927, to September 1, 1928, there was collected and credited to the general revenue fund the sum of \$14,009,752.83, from sources other than ad valorem taxes. From September 1, 1928, to July 1, 1929, there was collected and credited to the general revenue fund the sum of \$12,421,026.58, from the same sources.

It is reasonable to assume that for the next two years the collections from these sources will not exceed by more than a few thousand dollars the amount of money which was collected during the past two years from the same sources.

On account of the overflow of the prison farms it is possible that the income from these sources will be less in 1929, than it was in 1928. In estimating the income for the general revenue fund for the next two fiscal years, it seems to me that \$14,000,000 annually is a liberal estimate of the income to the general revenue fund from sources other than the ad valorem taxes.

In 1928, the valuations of all property rendered for ad valorem taxes was the sum of \$3,961,426,097. I am advised that the average increase in valuations over a period of ten years has been \$88,000,000 annually. If this is taken as the basis for the annual increase for the next two years and added to the valuations for the year 1928, it should form a fair basis upon which to compute the returns to the general revenue fund from State ad valorem taxes. It is to be remembered that the Legislature has remitted taxes on valuations totaling approximately \$3,500,000. This must be deducted from the total valuations before computing the amount yielded to the general revenue fund from ad valorem taxes.

The Automatic Tax Law provides that twenty per cent of the valuations shall be first deducted to allow for the cost of collection and delinquencies.

I know of no fair or safe basis or formula for figuring the prospective income from ad valorem taxes except the one provided in the law. Men may speculate upon the prospective income, but there can be no safe or conservative way to figure this income except in the manner fixed by the Automatic Tax Law.

If the figures above stated and the formula prescribed by the Automatic Tax Law are used, it appears that under the maximum rate of taxation allowed by the Constitution the prospective income to the general revenue fund for the next two years from all sources will not exceed \$49,000,000. From this sum it is proper to deduct the amount of outstanding appropriations which will be paid after September first. If \$1,000,000 is adopted as the amount of outstanding appropriations to be paid out of next year's revenue, it seems apparent to me that there is available for appropriation by this session of the Legislature for the support of the government for the next two years not exceeding the sum of \$48,000,000. According to my figures that is the maximum sum available under the highest tax rate allowed by law.

Personally, I do not think that the

appropriations ought to be placed so high that they would force the levy of the highest rate of taxation allowed by the Constitution. I do not believe the adequate support of the State government requires it at this time. I believe the State departments and institutions can be adequately supported for the next two years by the appropriation of not exceeding \$45,000,000. Although it is within your power to make appropriations that will require a levy of the maximum rate of taxation allowed by the Constitution, I hope you will not consider that necessary.

According to my figures, two years ago you appropriated approximately \$47,000,000 for the support of the government, its departments, and institutions from September 1, 1927, to September 1, 1929. Approximately \$4,000,000 of this sum was for buildings. If this last sum is deducted from the totals, the remainder, amounting to approximately \$43,000,000, represents the amount appropriated for the support of the departments and institutions from September 1, 1927, to September 1, 1929. There is no such demand for buildings this year as there was two years ago, and it is therefore my judgment that you can, if you will, keep the total of the appropriation bills you will pass at this session within or below \$45,000,000.

You have the power to pass appropriation bills that will exceed the revenue to be yielded by the maximum tax rates, but it is fervently trusted that you will not exercise this power. I sincerely hope that you will provide for the necessary support of the activities of the government without creating a situation requiring the levy of the maximum tax rate, but if your appropriations are to reach that figure, then I indulge the further hope that you will not let them exceed the prospective revenue for the time within which they must be paid.

You can reduce items in passing the appropriation bills, but, when once passed, I must either approve all of an item or reject all of it. There is no such thing as reducing the amount of any separate item under the veto power—the whole item must stand or it must all be vetoed. For example, you may appropriate more or less as an item for traveling expenses, but I cannot reduce any item so appropriated. You have the opportunity, in passing the bills, to inquire into the exact needs and supply the necessary fund. You realize that it is utterly impossible, by the use of the veto power, to write an appropriation

bill. It seems to be the purpose of some to ascertain the maximum amount of money that can be collected under the highest rates of taxation, and then proceed to appropriate that sum. It doesn't seem to me that the matter should be approached in that fashion. I think the effort should be to ascertain what amount of appropriations is reasonably necessary to adequately support the government. If that attitude is taken, I feel certain that you will not find it necessary to appropriate sums of money requiring the levy of the maximum rate of taxation. If you take the other attitude, of course, the maximum rate of taxation will be the result. It will be possible, by the use of the veto power, to reduce the total sum, but it is evident that this power cannot be used to strike enough from the bills to have much effect upon the tax rate.

In the end, the totals of these appropriation bills and the result upon the revenues and the tax rate must be your responsibility, for you have the power to control the expenditures from the public funds.

I have tried to give you the condition of the State revenue as I understand it, and I hope that we may be able to co-operate in holding the public expenditures within proper bounds and see that no unnecessary appropriations are made from the public funds. Retrenchment in the public expense is possible. The appropriation bill of two years ago carried the first building program which the State had had in several years. There is no necessary demand for any such extensive program at this time.

It is my purpose to limit the matters submitted at this session of the Legislature to the general subject of appropriations. That subject was submitted by the proclamation convening this session.

I find, however, that one of the statutes carried into the recodification of 1925 contains certain wording which may seriously affect a threatened suit involving the payment of State aid to the public school system. It seems that in the recodification of the statutes in 1925, Article 7043 carried forward the old provision that a rate should be fixed which would yield and produce \$4 per capita for all the children within the scholastic age as shown by the last school census. This wording may not be a limitation, but in view of its presence in the statute I regard it as proper to submit the subject of amending this

article to this session of the Legislature, that such language may be eliminated from the statute.

Respectfully submitted,
DAN MOODY,
Governor of Texas.

SENATE BILL ON FIRST READING.

The following Senate bill, received from the Senate today, was laid before the House, read first time and referred to the appropriate committee, as follows:

Senate bill No. 1, to the Committee on Appropriations.

HOUSE BILLS ON FIRST READING.

The following House bills, introduced today, were laid before the House, read severally first time and referred to the appropriate committees, as follows:

By Mr. Snelgrove, Mr. Graves of Erath, Mr. Long of Houston, and Mr. Wallace:

H. B. No. 1, A bill to be entitled "An Act appropriating two million five hundred thousand (\$2,500,000) dollars per year or so much thereof as may be necessary for the next two fiscal years for the purpose of promoting the public school interest of rural schools and equalizing the school opportunities afforded by the State to all children of scholastic age living in small and financially weak districts, attaching conditions, regulations and limitations relative thereto; authorizing aid to such schools in accordance with the conditions herein specified; etc., and declaring an emergency."

Referred to Committee on Appropriations.

By Mr. Wallace:

H. B. No. 2, A bill to be entitled "An Act making appropriations to pay the salaries of officers and employees of certain educational institutions and other expenses of maintaining and conducting them as follows, to-wit: The Agricultural and Mechanical College of Texas; State Experimental Station; the North Texas Junior Agricultural College; John Tarleton Agricultural College; Prairie View State Normal and Industrial College; the University of Texas, including the medical branch at Galveston and the College of Mines and Metallurgy at El Paso; College of Industrial Arts; Texas Technological College; East Texas State Teachers College at Commerce; North Texas State

Teachers College at Denton; Sam Houston State Teachers College at Huntsville; Stephen F. Austin State Teachers College at Nacogdoches, Texas; College of Arts and Industries at Kingsville; Southwest Texas State Teachers College at San Marcos; Sul Ross State Teachers College at Alpine; West Texas State Teachers College at Canyon; Texas School for the Blind and Texas School for the Deaf; for the years beginning September 1, 1929, and ending August 31, 1931; and declaring an emergency."

Referred to Committee on Appropriations.

By Mr. Wallace:

H. B. No. 3, A bill to be entitled "An Act making appropriation for the support and maintenance of the State government for the two year period beginning September 1, 1929, and ending August 31, 1931, and for other purposes, and prescribing certain regulations and restrictions in respect thereto, and declaring an emergency."

Referred to Committee on Appropriations.

By Mr. Wallace:

H. B. No. 4, A bill to be entitled "An Act making appropriations to pay the salaries of officers and employees of certain eleemosynary institutions of the State, and other expenses of maintaining and conducting them for the two fiscal years, beginning September 1, 1929, and ending August 31, 1931, as follows, to-wit: etc., and declaring an emergency."

Referred to Committee on Appropriations.

By Mr. Wallace:

H. B. No. 5, A bill to be entitled "An Act making appropriations to pay salaries of judges, and the support and maintenance of the Judicial Department of the State government for the two year period beginning September 1, 1929, and ending August 31, 1931, and declaring an emergency."

Referred to Committee on Appropriations.

By Mr. Veatch and Mr. Lemens:

H. B. No. 6, A bill to be entitled "An Act providing for the relief of Cuba Common School District No. 32, of Johnson County, Texas; to aid said school district to reconstruct a public school building, and to equip the same;

appropriating two thousand (\$2,000.00) dollars for reconstructing the public school building, and appropriating five hundred (\$500.00) dollars for equipping same; prescribing the manner in which the funds hereby appropriated shall be paid; and declaring an emergency."

Referred to Committee on Appropriations.

By Mr. Hogg, Mr. Long of Wichita, and Mr. Metcalfe:

H. B. No. 7, A bill to be entitled "An Act making appropriation for the establishment and maintenance of a cotton fiber laboratory under the supervision of A. & M. College, and declaring an emergency."

Referred to Committee on Appropriations.

By Mr. Williams of Travis:

H. B. No. 8, A bill to be entitled "An Act appropriating the sum of \$555,000.00 out of the State highway fund for the acquisition of site and erection and equipping of a fireproof office building in which shall be located all offices maintained by the State Highway Department in the city of Austin."

Referred to Committee on Appropriations.

By Mr. Cox of Limestone:

H. B. No. 9, A bill to be entitled "An Act appropriating fifteen hundred (\$1,500.00) dollars to be applied upon the purchase of a statue to be placed upon the Fort Parker Monument, when a like sum is raised by public subscription; appointing commissioners to purchase said statue and use said funds therefor, and to withdraw such appropriation upon their affidavits of the collection of such like sum by public subscription; providing for selection of successors, in case of necessity, of such commissioners, and declaring an emergency."

Referred to Committee on Appropriations.

BILL RE-REFERRED.

On motion of Mr. Purl, House bill No. 8 was withdrawn from the Committee on Appropriations and referred to the Committee on State Affairs.

BILL ORDERED NOT PRINTED.

On motion of Mr. Holder, Senate bill No. 1 was ordered not printed.

SENATE BILL NO. 1 ON SECOND READING.

Mr. Holder moved that the constitutional rule requiring bills to be read on three several days be suspended and that Senate bill No. 1 be placed on its second reading and passage to third reading, and on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—102.

Mr. Speaker.	McDonald.
Acker.	McGill.
Ackerman.	McKean.
Adkins.	Mehl.
Anderson.	Metcalfe.
Baker.	Montgomery.
Bateman.	Moore.
Bounds.	Morse.
Brice.	Mosely.
Brooks.	Mullally.
Carpenter.	Murphy.
Coltrin.	Negley.
Conway.	Nicholson.
Cox of Navarro.	Olsen.
Cox of Lamar.	O'Neill.
Cox of Limestone.	Palmer.
Davis.	Patterson.
Dunlap.	Pavlica.
Enderby.	Petsch.
Ewing.	Pool.
Finlay.	Pope of Jones.
Forbes.	Purl.
Gates.	Quinn.
Gilbert.	Reader.
Giles.	Renfro.
Graves	Richardson.
of Williamson.	Rogers.
Graves of Erath.	Rountree.
Hardy.	Sanders.
Harding.	Savage.
Harper.	Shaver.
Harrison.	Shelton.
Hines.	Simmons.
Holder.	Sinks.
Hornaday.	Snelgrove.
Johnson	Speck.
of Dimmit.	Stevenson.
Johnson of Smith.	Storey.
Johnson of Scurry.	Thompson.
Justiss.	Thurmond.
Keeton.	Tillotson.
Keller.	Van Zandt.
Kennedy.	Veatch.
King.	Waddell.
Lee.	Wallace.
Lemens.	Walters.
Long of Houston.	Warwick.
Magee.	Wiggs.
Mankin.	Williams of Sabine.
Marks.	Williams of Travis.
Mauritz.	Woodruff.
Maynard.	Young.
McCombs.	

Nays—2.

Bond.	Eickenroht.
	Absent.
Albritton.	Hubbard.
Avis.	Jones.
Baldwin.	Land.
Barnett.	Long of Wichita.
Beck.	Martin.
Bradley.	Pope of Nueces.
DeWolfe.	Ray.
Fuchs.	Reid.
Gerron.	Sherrill.
Harman.	Shipman.
Hefley.	Stephens.
Hopkins.	Westbrook.

Absent—Excused.

Chastain.	Loy.
Duvall.	Minor.
Finn.	Prendergast.
Heaton.	Strong.
Hogg.	Tarwater.
Jenkins.	Turner.
Kayton.	Webb.
Kemble.	White.
Kenyon.	Williams
Kincaid.	of Hardin.
Kinnear.	

The Speaker then laid before the House, on its second reading and passage to third reading,

S. B. No. 1, A bill to be entitled "An Act making an appropriation of the sum of \$100,000 or so much thereof as may be necessary out of the general revenue, to pay the per diem and mileage of members, the per diem of officers and employees and the contingent expenses of the Third Called Session of the Forty-first Legislature."

The bill was read second time and was passed to third reading.

SENATE BILL NO. 1 ON THIRD READING.

The Speaker then laid Senate bill No. 1 before the House on its third reading and final passage.

The bill was read third time and was passed by the following vote:

Yeas—102.

Mr. Speaker.	Bounds.
Acker.	Brice.
Ackerman.	Brooks.
Adkins.	Carpenter.
Anderson.	Coltrin.
Baker.	Conway.
Bateman.	Cox of Navarro.
Bond.	Cox of Lamar.

Cox of Limestone.	Mosely.
Davis.	Mullall.
Dunlap.	Murphy.
Enderby.	Negley.
Ewing.	Nicholson.
Eickenroht.	Olsen.
Finlay.	O'Neill.
Forbes.	Palmer.
Gates.	Patterson.
Gilbert.	Pavlica.
Giles.	Petsch.
Graves	Pool.
of Williamson.	Purl.
Graves of Erath.	Quinn.
Hardy.	Reader.
Harding.	Renfro.
Harper.	Richardson.
Harrison.	Rogers.
Hines.	Rountree.
Holder.	Sanders.
Hornaday.	Savage.
Johnson	Shaver.
of Dimmit.	Shelton.
Johnson of Smith.	Simmons.
Johnson of Scurry.	Sinks.
Justiss.	Snelgrove.
Keeton.	Speck.
Keller.	Stevenson.
Kennedy.	Storey.
King.	Thompson.
Lee.	Thurmond.
Lemens.	Tillotson.
Long of Houston.	Van Zandt.
Magee.	Veatch.
Mankin.	Waddell.
Marks.	Wallace.
Mauritz.	Walters.
McCombs.	Warwick.
McDonald.	Wiggs.
McGill.	Williams
McKean.	of Sabine.
Mehl.	Williams
Metcalf.	of Travis.
Montgomery.	Woodruff.
Moore.	Young.
Morse.	

Absent.

Albritton.	Jones.
Avis.	Land.
Baldwin.	Long of Wichita.
Barnett.	Martin.
Beck.	Maynard.
Bradley.	Pope of Jones.
DeWolfe.	Pope of Nueces.
Fuchs.	Ray.
Gerron.	Reid.
Harman.	Sherrill.
Hefley.	Shipman.
Hopkins.	Stephens.
Hubbard.	Westbrook.

Absent—Excused.

Chastain.	Heaton.
Duvall.	Hogg.
Finn.	Jenkins.

Kayton.	Strong.
Kemble.	Tarwater.
Kenyon.	Turner.
Kincaid.	Webb.
Kinnear.	White.
Loy.	Williams
Minor.	of Hardin.
Prendergast.	

RELATING TO SUBJECTS OF LEGISLATION.

Mr. Montgomery offered the following resolution:

Whereas, This Legislature has been called in Third Called Session primarily for the purpose of repassing appropriation bills; and

Whereas, It is the desire of the members of this House that these appropriation bills be promptly passed, that the members of this House may repair to their respective homes as soon as possible; therefore, be it

Resolved, by the House of Representatives of the Forty-first Legislature in this Third Called Session, That we respectfully ask the Hon. Dan Moody, Governor of the State of Texas, not to submit any subjects other than appropriations, so as to thus facilitate the prompt passage of the appropriation bills and adjourn this Third Called Session at the earliest practicable moment, and that a copy of this resolution be delivered to Governor Moody by the Chief Clerk of this House as an expression of the sentiment of the House.

Signed—Montgomery, Pool, McCombs, Sanders, Purl, Quinn.

The resolution was read second time.

Mr. Johnson of Dimmit offered the following amendment to the resolution:

Amend resolution by adding the following: "except such emergency measures as to the Governor appear imperative."

The amendment was adopted.

Mr. Tillotson moved that the resolution be laid on the table subject to call, and the motion was lost.

Question then recurring on the resolution, it was adopted.

ADDITIONAL PORTERS APPOINTED.

The Speaker announced the appointment of the following additional porters:

Sherman Gordon, Deamy Banton.

COMMUNICATION FROM HON. BEN J. WOODALL.

The Speaker laid before the House and had read the following communication:

July 8, 1929.

Hon. W. S. Barron, Speaker, House of Representatives, Austin, Texas.

Dear Sir: This is to advise that on Friday, July 5th, I tendered my resignation as a member of the House of Representatives to the Governor of this State.

Permit me to express to you my most profound appreciation for the many courtesies extended me both by yourself and the entire membership of the House. I regret more than I can say leaving the associations I have been so fortunate as to make while a member. I go into my new field of endeavor with the kindest feeling of friendship and affection for every member of the Legislature.

Yours very truly,
BENJAMIN WOODALL.

RECESS.

On motion of Mr. Johnson of Dimmit, the House, at 11:05 o'clock a. m., took recess to 2 o'clock p. m. today.

AFTERNOON SESSION.

The House met at 2 o'clock p. m., and was called to order by the Speaker.

LEAVE OF ABSENCE GRANTED.

Mr. Kayton was granted leave of absence for today and the balance of the session, on motion of Mr. Anderson, on account of important business.

TO PROVIDE FOR ADJOURNMENT SINE DIE.

Mr. Montgomery offered the following resolution:

H. C. R. No. 1, To provide for adjournment sine die.

Resolved, by the House of Representatives, the Senate concurring, That the Third Called Session of the Forty-first Legislature adjourn, sine die, on July 13th, 1929, at 6 o'clock p. m.

Signed—Montgomery, Pool, Sanders, Petsch, Dunlap, Storey, Moore, Anderson, Giles, McCombs, Keller.

The resolution was read second time.

On motion of Mr. Montgomery, the resolution was laid on the table subject to call.

MESSAGE FROM THE SENATE.

Senate Chamber,
Austin, Texas, July 9, 1929.

Hon. W. S. Parron, Speaker of the House of Representatives.

Sir: I am directed by the Senate to

inform the House that the Senate has passed

S. B. No. 2, A bill to be entitled "An Act making appropriations to pay salaries of judges and the support and maintenance of the Judicial Department of the State government for the two-year period beginning September 1, 1929, and ending August 31, 1931, and declaring an emergency."

Respectfully,

MORRIS C. HANKINS,
Assistant Secretary of the Senate.

SENATE BILLS ON FIRST READING.

The following Senate bills, received from the Senate today, were laid before the House, read severally first time and referred to the appropriate committees, as follows:

Senate bill No. 2, to the Committee on Appropriations.

Senate bill No. 5, to the Committee on Appropriations.

Senate bill No. 3, to the Committee on Appropriations.

BILL SIGNED BY THE SPEAKER.

The Speaker signed, in the presence of the House, after giving due notice thereof and its caption had been read, the following enrolled bill:

S. B. No. 1, "An Act appropriating certain sums to pay per diem of members and employes of the Third Called Session," etc.

CALL OF THE HOUSE ORDERED.

Mr. Anderson moved a call of the House for the purpose of maintaining a quorum until 4 o'clock p. m., and the call was duly ordered.

The Speaker then directed the Doorkeeper to close the main entrance to the Hall and instructed the Sergeant-at-Arms to lock all other doors leading from the Hall, and stated that no member would be permitted to leave the Hall without written permission from the Speaker.

The roll was called, and a quorum was announced present.

BILLS ORDERED NOT PRINTED.

On motion of Mr. Wallace, House bill No. 5 and Senate bill No. 2 were ordered not printed.

On motion of Mr. Snelgrove, House bill No. 1 was ordered not printed.

On motion of Mr. Veatch, House bill No. 6 was ordered not printed.

HOUSE BILL NO. 5 ON SECOND READING.

The Speaker laid before the House, on its second reading and passage to engrossment,

H. B. No. 5, A bill to be entitled "An Act making appropriations to pay salaries of judges and the support and maintenance of the Judicial Department of the State government for the two-year period beginning September 1, 1929, and ending August 31, 1931, and declaring an emergency."

The bill was read second time.

On motion of Mr. Wallace, the bill was laid on the table subject to call.

SENATE BILL NO. 2 ON SECOND READING.

Mr. Wallace moved that the constitutional rule requiring bills to be read on three several days be suspended and that Senate bill No. 2 be placed on its second reading and passage to third reading and on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—98.

Mr. Speaker.	Holder.
Acker.	Johnson
Ackerman.	of Dimmit.
Adkins.	Johnson of Smith.
Anderson.	Johnson of Scurry.
Baker.	Justiss.
Barnett.	Keeton.
Bateman.	Keller.
Bounds.	Kennedy.
Bradley.	King.
Brice.	Lee.
Brooks.	Long of Houston.
Carpenter.	Long of Wichita.
Conway.	Magee.
Cox of Navarro.	Mankin.
Cox of Lamar.	Marks.
Cox of Limestone.	Mauritz.
Davis.	Maynard.
Dunlap.	McCombs.
Enderby.	McGill.
Ewing.	McKean.
Finlay.	Mehl.
Forbes.	Metcalfe.
Gates.	Montgomery.
Gerron.	Moore.
Gilbert.	Morse.
Giles.	Mosely.
Graves	Mullally.
of Williamson.	Murphy.
Graves of Erath.	Negley.
Hardy.	Olsen.
Harper.	O'Neill.
Harrison.	Palmer.
Hines.	Pavlica.

Pool.	Snelgrove.
Pope of Jones.	Speck.
Purl.	Stevenson.
Quinn.	Storey.
Ray.	Tarwater.
Reader.	Thompson.
Renfro.	Thurmond.
Richardson.	Tillotson.
Rogers.	Veatch.
Rountree.	Wallace.
Sanders.	Walters.
Savage.	Warwick.
Shaver.	Westbrook.
Shelton.	Wiggs.
Shipman.	Williams
Simmons.	of Sabine.
Sinks.	Young.

Nays—2.

Bond. Eickenroht.

Absent.

Albritton.	Lemens.
Avis.	Martin.
Baldwin.	Nicholson.
Beck.	Patterson.
Coltrin.	Petsch.
DeWolfe.	Pope of Nueces.
Fuchs.	Reid.
Harding.	Sherrill.
Harman.	Stephens.
Hefey.	Van Zandt.
Hopkins.	Waddell.
Hubbard.	Williams
Jones.	of Travis.
Land.	Woodruff.

Absent—Excused.

Chastain.	Kinnear.
Duvall.	Loy.
Finn.	McDonald.
Heaton.	Minor.
Hogg.	Prendergast.
Hornaday.	Strong.
Jenkins.	Turner.
Kayton.	Webb.
Kemble.	White.
Kenyon.	Williams
Kincaid.	of Hardin.

The Speaker then laid before the House, on its second reading and passage to third reading,

S. B. No. 2, A bill to be entitled "An Act making appropriations to pay salaries of judges and the support and maintenance of the Judicial Department of the State government for the two-year period beginning September 1, 1929, and ending August 31, 1931, and declaring an emergency."

The bill was read second time, and was passed to third reading.

SENATE BILL NO. 2 ON THIRD READING.

The Speaker then laid Senate bill No. 2 before the House on its third reading and final passage.

The bill was read third time, and was passed by the following vote:

Yeas—99.

Mr. Speaker.	Mehl.
Acker.	Metcalfe.
Ackerman.	Montgomery.
Adkins.	Moore.
Anderson.	Morse.
Baker.	Mosely.
Bateman.	Mullally.
Bounds.	Murphy.
Bradley.	Negley.
Brooks.	Olsen.
Carpenter.	O'Neill.
Coltrin.	Palmer.
Conway.	Pavlica.
Cox of Navarro.	Petsch.
Cox of Limestone.	Pool.
Dunlap.	Pope of Jones.
Enderby.	Purl.
Ewing.	Quinn.
Forbes.	Ray.
Gates.	Reader.
Gerron.	Renfro.
Gilbert.	Richardson.
Giles.	Rogers.
Graves	Rountree.
of Williamson.	Sanders.
Graves of Erath.	Savage.
Hardy.	Shaver.
Harper.	Shelton.
Harrison.	Shipman.
Hines.	Simmons.
Holder.	Sinks.
Hornaday.	Snelgrove.
Johnson	Speck.
of Dimmit.	Stevenson.
Johnson of Smith.	Storey.
Johnson of Scurry.	Tarwater.
Justiss.	Thompson.
Keeton.	Thurmond.
Keller.	Tillotson.
Kennedy.	Van Zandt.
King.	Veatch.
Lee.	Waddell.
Long of Houston.	Wallace.
Long of Wichita.	Walters.
Magee.	Warwick.
Mankin.	Westbrook.
Marks.	Williams
Mauritz.	of Sabine.
Maynard.	Williams
McCombs.	of Travis.
McDonald.	Woodruff.
McGill.	Young.
McKean.	

Nays—6.

Barnett.

Bond

Brice.	Finlay.	Long of Wichita.	Rogers.
Eickenroht.	Wiggs.	Magee.	Rountree.
	Absent.	Marks.	Sanders.
Albritton.	Hubbard.	Mauritz.	Savage.
Avis.	Jones.	Maynard.	Shaver.
Baldwin.	Land.	McCombs.	Shelton.
Beck.	Lemens.	McDonald.	Shipman.
Cox of Lamar.	Martin.	McGill.	Simmons.
Davis.	Nicholson.	McKean.	Sinks.
DeWolfe.	Patterson.	Mehl.	Snelgrove.
Fuchs.	Pope of Nueces.	Metcalfe.	Speck.
Harding.	Reid.	Montgomery.	Storey.
Harman.	Sherrill.	Moore.	Tarwater.
Hefley.	Stephens.	Morse.	Thompson.
Hopkins.		Mosely.	Thurmond.
	Absent—Excused.	Mullally.	Tillotson.
Chastain.	Kinnear.	Murphy.	Van Zandt.
Duvall.	Loy.	Negley.	Veatch.
Finn.	Minor.	Olsen.	Waddell.
Heaton.	Prendergast.	O'Neill.	Wallace.
Hogg.	Strong.	Palmer.	Walters.
Jenkins.	Turner.	Patterson.	Warwick.
Kayton.	Webb.	Pavlica.	Westbrook.
Kemble.	White.	Petsch.	Wiggs.
Kenyon.	Williams	Pool.	Williams
Kincaid.	of Hardin.	Pope of Jones.	of Sabine.
		Purl.	Williams
		Quinn.	of Travis.
		Ray.	Woodruff.
		Renfro.	Young.
		Richardson.	

HOUSE BILL NO. 1 ON SECOND READING.

Mr. Snelgrove moved that the constitutional rule requiring bills to be read on three several days be suspended and that House bill No. 1 be placed on its second reading and passage to engrossment, and on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—101.

Mr. Speaker.	Forbes.
Acker.	Gates.
Ackerman.	Gerron.
Adkins.	Gilbert.
Anderson.	Giles.
Baker.	Graves of Erath.
Baldwin.	Hardy.
Barnett.	Harper.
Bateman.	Harrison.
Bounds.	Hines.
Bradley.	Holder.
Brice.	Hornaday.
Brooks.	Johnson
Carpenter.	of Dimmit.
Coltrin.	Johnson of Smith.
Conway.	Johnson of Scurry.
Cox of Navarro.	Justiss.
Cox of Lamar.	Keeton.
Cox of Limestone.	Keller.
Dunlap.	Kennedy.
Enderby.	King.
Ewing.	Lee.
Finlay.	Long of Houston.

	Nays—5.
Bond.	Mankin.
Eickenroht.	Stevenson.
Graves	
of Williamson.	
	Absent.
Albritton.	Jones.
Avis.	Land.
Beck.	Lemens.
Davis.	Martin.
DeWolfe.	Nicholson.
Fuchs.	Pope of Nueces.
Harding.	Reader.
Harman.	Reid.
Hefley.	Sherrill.
Hopkins.	Stephens.
Hubbard.	

Absent—Excused.

Chastain.	Kinnear.
Duvall.	Loy.
Finn.	Minor.
Heaton.	Prendergast.
Hogg.	Strong.
Jenkins.	Turner.
Kayton.	Webb.
Kemble.	White.
Kenyon.	Williams
Kincaid.	of Hardin.

The Speaker then laid before the House, on its second reading and passage to engrossment,

H. B. No. 1, A bill to be entitled "An Act appropriating two million, five hundred thousand dollars (\$2,500,000) per year, or so much thereof as may be necessary, for the next two fiscal years, for the purpose of promoting the public school interest of rural schools and equalizing the school opportunities afforded by the State to all children of scholastic age living in small and financially weak districts, attaching conditions, regulations and limitations relative thereto; authorizing aid to such schools in accordance with the conditions herein specified, etc., and declaring an emergency."

The bill was read second time.

On motion of Mr. Snelgrove, the bill was laid on the table subject to call.

MESSAGE FROM THE SENATE.

Senate Chamber,
Austin, Texas, July 9, 1929.

Hon. W. S. Barron, Speaker of the House of Representatives.

Sir: I am directed by the Senate to inform the House that the Senate has passed

S. B. No. 3, A bill to be entitled "An Act appropriating \$2,750,000 per year, or so much thereof as may be necessary, for the next two fiscal years, for the purpose of promoting the public school interest of rural schools, etc., and declaring an emergency."

S. B. No. 5, A bill to be entitled "An Act making appropriations to pay the salaries of officers and employes of certain eleemosynary institutions of the State and other expenses of maintaining and conducting them for the two fiscal years beginning September 1, 1929, and ending August 31, 1931, etc., and declaring an emergency."

Respectfully,

MORRIS C. HANKINS,
Assistant Secretary of the Senate.

BILL ORDERED NOT PRINTED.

(By Unanimous Consent.)

On motion of Mr. Snelgrove, Senate bill No. 3 was ordered not printed.

MESSAGE FROM THE SENATE.

Senate Chamber,
Austin, Texas, July 9, 1929.

Hon. W. S. Barron, Speaker of the House of Representatives.

Sir: I am directed by the Senate to inform the House that the Senate has passed

S. B. No. 6, A bill to be entitled "An Act making appropriations to pay the salaries of officers and employes of certain educational institutions and other expenses of maintaining and conducting them, etc., and declaring an emergency."

Respectfully,

MORRIS C. HANKINS,
Assistant Secretary of the Senate.

SENATE BILL NO. 3 ON SECOND READING.

Mr. Snelgrove moved that the constitutional rule requiring bills to be read on three several days be suspended and that Senate bill No. 3 be placed on its second reading and passage to third reading and on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—100.

Mr. Speaker.	Keller.
Acker.	Kennedy.
Ackerman.	King.
Adkins.	Lee.
Anderson.	Long of Houston.
Baker.	Long of Wichita.
Barnett.	Magee.
Bateman.	Marks.
Bounds.	Mauritz.
Bradley.	Maynard.
Brice.	McCombs.
Brooks.	McDonald.
Carpenter.	McGill.
Coltrin.	Mehl.
Conway.	Metcalfe.
Cox of Navarro.	Montgomery.
Cox of Lamar.	Moore.
Cox of Limestone.	Morse.
Davis.	Mosely.
Dunlap.	Mullally.
Enderby.	Murphy.
Ewing.	Negley.
Finlay.	Nicholson.
Forbes.	Olsen.
Gerron.	O'Neill.
Gilbert.	Palmer.
Giles.	Patterson.
Graves of Erath.	Pavlica.
Hardy.	Pool.
Harper.	Pope of Jones.
Harrison.	Purl.
Hines.	Quinn.
Holder.	Ray.
Hornaday.	Reader.
Johnson	Renfro.
of Dimmit.	Richardson.
Johnson of Smith.	Rogers.
Johnson of Scurry.	Rountree.
Justiss.	Sanders.
Keeton.	Savage.

Shaver.	Waddell.
Shelton.	Wallace.
Shipman.	Walters.
Simmons.	Warwick.
Sinks.	Westbrook.
Snelgrove.	Wiggs.
Stevenson.	Williams
Storey.	of Sabine.
Tarwater.	Williams
Thompson.	of Travis.
Van Zandt.	Woodruff.
Veatch.	Young.

Nays—7.

Bond.	McKean.
Graves	Petsch.
of Williamson.	Thurmond.
Mankin.	Tillotson.

Absent.

Albritton.	Hopkins.
Avis.	Hubbard.
Baldwin.	Jones.
Beck.	Land.
DeWolfe.	Lemens.
Eickenroht.	Martin.
Fuchs.	Pope of Nueces.
Gates.	Reid.
Harding.	Sherrill.
Harman.	Speck.
Hefley.	Stephens.

Absent—Excused.

Chastain.	Kinnear.
Duvall.	Loy.
Finn.	Minor.
Heaton.	Prendergast.
Hogg.	Strong.
Jenkins.	Turner.
Kayton.	Webb.
Kemble.	White.
Kenyon.	Williams
Kincaid.	of Hardin.

The Speaker then laid before the House, on its second reading and passage to third reading,

S. B. No. 3, A bill to be entitled "An Act appropriating two million seven hundred fifty thousand dollars per year for the next two fiscal years for aid of the rural schools, etc."

The bill was read second time.

Mr. Holder offered House bill No. 1 as an amendment to the bill.

Mr. Tillotson offered the following amendment to the amendment:

Amend amendment to Senate bill No. 3 by striking out the figures "\$2,500,000" for each year and insert in lieu thereof the figures "\$2,250,000" for each year.

Mr. Long of Houston, moved to table the amendment to the amendment.

Yeas and nays were demanded and the motion to table prevailed by the following vote:

Yeas—61.

Mr. Speaker.	Mehl.
Adkins.	Metcalfe.
Anderson.	Mosely.
Bateman.	Murphy.
Bradley.	Negley.
Brice.	Olsen.
Conway.	O'Neill.
Cox of Lamar.	Palmer.
Cox of Limestone.	Patterson.
Enderby.	Purl.
Ewing.	Ray.
Finlay.	Reader.
Gerron.	Renfro.
Gilbert.	Richardson.
Graves of Erath.	Sanders.
Harper.	Savage.
Holder.	Shaver.
Johnson	Shipman.
of Dimmit.	Simmons.
Johnson of Smith.	Sinks.
Johnson of Scurry.	Snelgrove.
Kayton.	Storey.
Kennedy.	Tarwater.
King.	Thompson.
Lee.	Van Zandt.
Long of Houston.	Wallace.
Magee.	Walters.
Marks.	Westbrook.
Mauritz.	Wiggs.
Maynard.	Williams
McCombs.	of Sabine.
McGill.	Young.

Nays—41.

Acker.	Mankin.
Ackerman.	McDonald.
Baker.	McKean.
Barnett.	Montgomery.
Bond.	Moore.
Bounds.	Mullally.
Brooks.	Nicholson.
Carpenter.	Pavlica.
Coltrin.	Pool.
Cox of Navarro.	Pope of Jones.
Forbes.	Quinn.
Gates.	Rogers.
Graves	Rountree.
of Williamson.	Shelton.
Hardy.	Speck.
Harrison.	Stevenson.
Hines.	Thurmond.
Hornaday.	Tillotson.
Justiss.	Veatch.
Keller.	Waddell.
Long of Wichita.	Warwick.

Present—Not Voting.

Giles.	Woodruff
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Absent.

Albritton.	Avis
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Baldwin.	Hubbard.
Beck.	Jones.
Davis.	Land.
DeWolfe.	Lemens.
Dunlap.	Martin.
Eickenroht.	Morse.
Fuchs.	Petsch.
Harding.	Pope of Nueces.
Harman.	Reid.
Heaton.	Sherrill.
Hefley.	Stephens.
Hogg.	Williams
Hopkins.	of Travis.

Absent—Excused.

Chastain.	Loy.
Duvall.	Minor.
Finn.	Prendergast.
Jenkins.	Strong.
Keeton.	Turner.
Kemble.	Webb.
Kenyon.	White.
Kincaid.	Williams
Kinnear.	of Hardin.

Mr. Van Zandt offered the following amendment to the amendment:

Amend amendment to Senate bill No. 3, Section 10, by adding thereto the following: "provided, it shall be optional with the trustees of the home district of the high school student whether tuition shall be paid out of the school funds of the district if the local school tax in said district is less than fifty cents on the one hundred dollars valuation of property; provided, that nothing in this act shall be construed as giving the trustees control over the transfer of high school students; provided further, that no part of the appropriation designated in this section shall be used to reimburse any district for the payment of tuition for its resident high school students unless and until a local tax of not less than fifty cents for school purposes is levied and collected for the year the tuition becomes due."

Mr. Quinn offered the following substitute for the amendment to the amendment:

Substitute amendment to Senate bill No. 3, Section 10, by adding thereto the following: "provided, it shall be optional with the trustees of the home district of the high school student whether tuition shall be paid out of the school funds of the district if the local school tax in said district is less than seventy-five cents on the one hundred dollars valuation of property; provided, that nothing in this act shall be construed as giving the trustees control over the

transfer of high school students; provided further, that no part of the appropriation designated in this section shall be used to reimburse any district for the payment of tuition for its resident high school students unless and until a local tax of not less than seventy-five cents for school purposes is levied and collected for the year the tuition becomes due."

The substitute for the amendment to the amendment was lost.

The amendment by Mr. Van Zandt was adopted.

The amendment as amended was then adopted.

The House, by unanimous consent, authorized the caption to be amended to conform to the body of the bill.

Senate bill No. 3 was passed to third reading.

SENATE BILL NO. 3 ON THIRD READING.

The Speaker laid Senate bill No. 3 before the House on its third reading and final passage.

The bill was read third time and was passed by the following vote:

Yeas—94.

Mr. Speaker.	Johnson of Smith.
Acker.	Johnson of Scurry.
Ackerman.	Justiss.
Adkins.	Keeton.
Anderson.	Keller.
Baker.	Kennedy.
Barnett.	King.
Bateman.	Lee.
Bounds.	Long of Houston.
Bradley.	Magee.
Brice.	Marks.
Brooks.	Mauritz.
Carpenter.	Maynard.
Coltrin.	McCombs.
Conway.	McDonald.
Cox of Navarro.	McGill.
Cox of Lamar.	Mehl.
Cox of Limestone.	Metcalf.
Davis.	Montgomery.
Enderby.	Moore.
Ewing.	Morse.
Finlay.	Mosely.
Forbes.	Murphy.
Gerron.	Negley.
Giles.	Olsen.
Graves of Erath.	O'Neill.
Hardy.	Palmer.
Harper.	Patterson.
Harrison.	Pavlica.
Hines.	Pool.
Holder.	Pope of Jones.
Johnson	Purl.
of Dimmit.	Quinn.

Ray.	Storey.
Reader.	Tarwater.
Renfro.	Thompson.
Richardson.	Van Zandt.
Rogers.	Veatch.
Rountree.	Waddell.
Sanders.	Wallace.
Savage.	Walters.
Shaver.	Warwick.
Shelton.	Wiggs.
Shipman.	Williams
Simmons.	of Sabine.
Sinks.	Williams
Snelgrove.	of Travis.
Speck.	Woodruff.
Stevenson.	Young.

Nays—7.

Bond.	Mankin.
Eickenroht.	McKean.
Graves	Nicholson.
of Williamson.	Petsch.

Absent.

Albritton.	Hubbard.
Avis.	Jones.
Baldwin.	Land.
Beck.	Lemens.
DeWolfe.	Long of Wichita.
Dunlap.	Martin.
Fuchs.	Mullally.
Gates.	Pope of Nueces.
Gilbert.	Reid.
Harding.	Sherrill.
Harman.	Stephens.
Heaton.	Thurmond.
Hefley.	Tillotson.
Hogg.	Westbrook.
Hopkins.	

Absent—Excused.

Chastain.	Loy.
Duvall.	Minor.
Finn.	Prendergast.
Hornaday.	Strong.
Jenkins.	Turner.
Kayton.	Webb.
Kemble.	White.
Kenyon.	Williams
Kincaid.	of Hardin.
Kinnear.	

BILLS ORDERED NOT PRINTED.

On motion of Mr. Wallace, Senate bill No. 5 and House bill No. 4 were ordered not printed.

SENATE BILL NO. 5 ON SECOND READING.

Mr. Wallace moved that the constitutional rule requiring bills to be read on three several days be suspended and that Senate bill No. 5 be placed on its

second reading and passage to third reading, and on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—98.

Mr. Speaker.	McDonald.
Acker.	McGill.
Ackerman.	McKean.
Adkins.	Mehl.
Anderson.	Metcalfe.
Baker.	Montgomery.
Barnett.	Moore.
Bateman.	Morse.
Bond.	Mosely.
Bounds.	Murphy.
Bradley.	Negley.
Brooks.	Nicholson.
Carpenter.	Olsen.
Coltrin.	O'Neill.
Conway.	Palmer.
Cox of Navarro.	Patterson.
Cox of Lamar.	Pavlica.
Cox of Limestone.	Pool.
Davis.	Pope of Jones.
Dunlap.	Purl.
Enderby.	Quinn.
Ewing.	Reader.
Forbes.	Renfro.
Gates.	Richardson.
Gerron.	Rogers.
Gilbert.	Sanders.
Giles.	Savage.
Graves	Shaver.
of Williamson.	Shelton.
Graves of Erath.	Shipman.
Hardy.	Simmons.
Harper.	Sinks.
Harrison.	Snelgrove.
Hines.	Speck.
Holder.	Storey.
Hornaday.	Tarwater.
Johnson	Thompson.
of Dimmit.	Tillotson.
Johnson of Smith.	Van Zandt.
Johnson of Scurry.	Veatch.
Justiss.	Waddell.
Keller.	Wallace.
Kennedy.	Walters.
King.	Warwick.
Lee.	Westbrook.
Long of Houston.	Williams
Magee.	of Sabine.
Mankin.	Williams
Marks.	of Travis.
Mauritz.	Woodruff.
Maynard.	Young.
McCombs.	

Nays—4.

Brice.	Finlay.
Eickenroht.	Ray.
	Absent.
Albritton.	Avis.

Baldwin.	Lemens.
Beck.	Long of Wichita.
DeWolfe.	Martin.
Fuchs.	Mullally.
Harding.	Petsch.
Harman.	Pope of Nueces.
Heaton.	Reid.
Hefley.	Rountree.
Hogg.	Sherrill.
Hopkins.	Stephens.
Hubbard.	Stevenson.
Jones.	Thurmond.
Keeton.	Wiggs.
Land.	

Absent—Excused.

Chastain.	Loy.
Duvall.	Minor.
Finn.	Prendergast.
Jenkins.	Strong.
Kayton.	Turner.
Kemble.	Webb.
Kenyon.	White.
Kincaid.	Williams
Kinnear.	of Hardin.

The Speaker then laid before the House, on its second reading and passage to third reading,

S. B. No. 5, A bill to be entitled "An Act making appropriations to pay the salaries of officers and employes of certain eleemosynary institutions of the State and other expenses of maintaining and conducting them for the two fiscal years beginning September 1, 1929, and ending August 31, 1931, etc., and declaring an emergency."

The bill was read second time.

Mr. Wallace offered House bill No. 4 as an amendment to the bill.

Mr. Dunlap offered the following amendment to the amendment:

Amend House bill No. 4 by striking out the word "druggist" wherever it appears in the bill and insert in lieu thereof the word "pharmacist."

Signed—Dunlap, Wallace.

The amendment to the amendment was adopted.

Mr. Speck offered the following amendments to the amendment:

(1)

Amend House bill No. 4, page 2, line 18, by striking out the figures "1000" in both columns and insert in lieu thereof "1200."

(2)

Amend House bill No. 4, page 5, line 13, by striking out the figures "1000" in both columns and insert in lieu thereof "1200."

The amendments were severally adopted.

Mr. Bond offered the following amendment to the amendment:

Amend House bill No. 4, page 31, by including therein "\$25,000 for each year for concrete fireproof buildings."

The amendment to the amendment was adopted.

Mr. Speck offered the following amendment to the amendment:

Amend House bill No. 4 by striking out line 13, page 2, and changing the figures "175,000" to "176,000" wherever same appear in line 37, page 3.

Mr. Quinn moved the previous question on the amendments and the passage of the bill to third reading, and the motion was not seconded.

The amendment to the amendment was then adopted.

(Mr. McGill in the chair.)

Mr. Purl offered the following amendment to the amendment:

Amend the amendment to Senate bill No. 5 by inserting the following under State Tuberculosis Sanatorium:

Children's Department:

Building	\$ 100,000
Equipment and operation, to be spent under direction of Board of Control.	50,000
Support and maintenance, and equipment and operation, including additional fuel	20,000	\$ 30,000
Totals	\$ 170,000	\$ 30,000

On motion of Mr. Tillotson, the amendment to the amendment was tabled.

(Speaker in the chair.)

The amendment by Mr. Wallace as amended was adopted.

The caption was ordered amended to conform to the body of the bill.

Senate bill No. 5 was then passed to third reading.

SENATE BILL NO. 5 ON THIRD READING.

The Speaker laid Senate bill No. 5 before the House on its third reading and final passage.

The bill was read third time, and was passed.

SENATE BILL NO. 2 ON FINAL PASSAGE.

Mr. Petsch moved to reconsider the vote by which Senate bill No. 2, making appropriations for the judiciary, was finally passed, and the motion to reconsider prevailed.

The Speaker then laid Senate bill No. 2 before the House on final passage.

Mr. Petsch offered the following amendment to the bill:

Insert between the figures "\$185,500.00," where the same occurs the last time in the appropriation of "fees, costs and per diem of fifty-three district attorneys" and the next succeeding item of appropriation being for "salaries of special judges and expenses" the following paragraph, to wit:

"Provided, that no account against the aforesaid items of 'witness fees,' county attorneys, justice of the peace, sheriffs and constables, fees and costs of sheriffs, attorneys and clerks in felony, shall be binding as an obligation against the State of Texas until after such account has been examined, audited and approved by the State Comptroller, and no such account shall be paid by the State Treasurer until the same has been so approved by the Comptroller."

The amendment was adopted.

Senate bill No. 2 was then finally passed.

NOTICE GIVEN.

Mr. Sanders gave notice that on tomorrow he would call up, for consideration at that time, House concurrent resolution No. 1, providing for adjournment sine die.

SENATE BILL ON FIRST READING.

The following Senate bill was laid before the House, read first time and referred to the appropriate committee, as follows:

Senate bill No. 6, to the Committee on Appropriations.

EXTENDING SYMPATHY TO MR. DUVALL.

Mr. Gilbert offered the following resolution:

Whereas, The Hon. J. C. Duvall, a member of this House from Tarrant county, is now confined to his room in Fort Worth on account of illness; and

Whereas, This body seriously regrets the illness of Mr. Duvall and wishes for his speedy recovery; therefore, be it

Resolved, That the House of Repre-

sentatives convey to Mr. Duvall by wire its profound sympathy and hope for his speedy and complete recovery, and that the chairman of the Committee on Contingent Expense be authorized to send suitable flowers to his room in token of the esteem and appreciation of the House of Representatives of Texas.

Signed—Gilbert, Patterson.

The resolution was read second time, and was adopted.

ADJOURNMENT.

On motion of Mr. Young, the House, at 5:25 o'clock p. m., adjourned until 10 o'clock a. m. tomorrow.

APPENDIX.

STANDING COMMITTEE REPORTS.

The Committee on Appropriations filed favorable reports on bills, as follows:

House bills Nos. 1, 5 and 6, and Senate bills Nos. 2 and 1.

The Committee on Appropriations filed an adverse report on House bill No. 8.

BILL REGULATING BUILDING AND LOAN ASSOCIATIONS.

On motion of Mr. Keller, the following bill, which was passed during the Second Called Session, was ordered printed in the Journal:

S. B. No. 111.

An Act defining building and loan associations; providing for their incorporation and prescribing the terms, conditions and regulations upon which such companies may carry on their business in Texas; providing that shareholders shall not be disqualified to take acknowledgments; validating such previous acknowledgments by shareholders; prescribing the terms and conditions upon which foreign building associations may carry on their business in Texas; prescribing penalties for violation of the provisions of the act; repealing act and parts of act in conflict herewith, and declaring an emergency.

Be it enacted by the Legislature of the State of Texas:

Section 1. Building and Loan Associations Defined. A building and loan association, as contemplated by this act,

is any association or corporation heretofore or hereafter formed, created or organized which is chartered under any building and loan law, and/or is principally in the business of assisting its members to buy, improve or build homes, or to remove incumbrances therefrom, and which accumulates the funds thus loaned through the issuance or sale of its own shares.

Sec. 2. Commissioner to Investigate. When any persons shall file a proposed charter or articles of agreement as is elsewhere herein provided, if it appears to the satisfaction of the Banking Commissioner of Texas that the minimum capital required has been paid in cash into the treasury of the association upon subscriptions for shares, the Banking Commissioner of Texas shall ascertain from the best sources at his command, and by such investigation as he may deem necessary, the expense of such investigation to be paid by the incorporators, whether the character, responsibility and general fitness of the persons named in the articles of incorporation are such as to command confidence and warrant belief that the business of the proposed building and loan association will be honestly and efficiently conducted in accordance with the intent and purpose of this act, and whether the public convenience and advantage will be promoted by allowing such proposed building and loan association to be incorporated and engaged in business, and whether the population in the neighborhood of such place and in the surrounding country affords a reasonable promise of adequate support for the proposed building and loan association. If it shall be satisfied concerning the several matters specified, the Banking Commissioner of Texas shall issue under his official seal a certificate reciting in substance the filing in its office of the articles of incorporation; that such articles conform to all requirements of the law, and that they have been approved, whereupon the persons named in the articles of association, their associates and successors, shall become a corporate body for the period for which they were organized, and shall exercise such powers as are herein granted, and such other powers as are necessary to enable such association to carry out the purpose of its organization, not inconsistent with the provisions of this act. but before such association shall proceed to do business it shall adopt and have approved by the Banking Com-

missioner of Texas by-laws for the regulation and management of its business, not inconsistent with the provisions herein provided.

Sec. 3. Rejection Application for Charter. If the Banking Commissioner of Texas shall not be satisfied by such examination that it is expedient and desirable to permit such proposed building and loan association to engage in business, it shall endorse upon each copy of the articles of incorporation the word "refused," with the date of such endorsement, together with the reason for such refusal, and shall forthwith return one copy of such articles of incorporation to the proposed incorporators from whom the same was received, and such refusal shall be conclusive unless the incorporators within thirty days of the issuance of such notice of refusal shall apply to the district court of Travis county, Texas (which court shall have jurisdiction of such case), for a writ of mandamus to compel the filing of such charter and granting of a permit to do business. Appeals shall lie from the decree of the district court in the same manner as appeals in other mandamus cases are allowable and taken in this State.

Sec. 4. Proceed to Business. When the Banking Commissioner of Texas shall have approved the organization certificate and the proposed by-laws and shall have issued the certificate of such approval and filing, it shall then issue a certificate of authority to do business, providing that when any building and loan association holding a charter under the laws of this State shall fail to commence business within six months from the date of the issuance of the certificate of authority, such association shall ipso facto be dissolved and its certificate of incorporation shall be null and void, without further executive or judicial action.

Sec. 5. Fees to Accompany Charter Application. At the time of filing application for charter the incorporators shall pay to the Banking Commissioner of Texas, the sum of twenty-five dollars for filing the articles of association and the by-laws; and thereafter, for filing amendments to the articles of incorporation or to the by-laws, or any other paper, the sum of five dollars; for making and certifying copies of articles of association, by-laws or any other paper required to be filed, twenty cents per folio of one hundred words; provided, however, that the Banking Com-

missioner of Texas may require a reasonable deposit to be made by the incorporators for the purpose of defraying the expenses of the investigation authorized in Section 2 of this act.

Sec. 6. Franchise Tax. Every domestic building and loan association shall pay to the State Treasurer, through the Banking Commissioner of Texas, an annual franchise tax of ten dollars.

Sec. 7. Supervision and Control. The Banking Commissioner of Texas shall have supervision over and control of all building and loan associations doing business in this State, and shall be charged with the execution of the laws of this State relating to such associations; and except in the manner provided in this act, no corporation or association shall conduct or carry on the business which is described and defined in Section 1, hereof; provided, that this section does not include persons, co-partnerships or corporations engaged in any kind of banking business.

Sec. 8. Annual Statement to be Filed. Every building and loan association doing business within this State shall, on the first day of January of each year, or within sixty days thereafter, file with the Banking Commissioner of Texas, a full and detailed statement of its financial condition on the 31st day of the preceding December, and the business transacted during the preceding year. Said statement shall set forth the amount and the character of its assets, liabilities, income and expense, and shall contain such other information, and be in such form as the Banking Commissioner of Texas may prescribe, and shall be sworn to by the president and the secretary or treasurer of such association; and such report shall show the number and amount of loans outstanding upon its books in each different town or city in which the property securing such loans is situated. Any such association refusing or neglecting to file the annual statement herein required within the time specified shall forfeit five dollars per day for each and every day such statement shall be withheld, and the Banking Commissioner of Texas may maintain an action in the name of the State to recover such penalty, which upon its collection, shall be paid into the State Treasury. Within thirty days after such refusal to file such annual statement the Banking Commissioner shall cause to be investigated the affairs of the association, at the expense of such association and,

if found in a failing condition, take charge of its affairs, as provided in Section 13 of this act.

Sec. 9. Fees to Accompany Statement. At the time of the filing its annual statement, every domestic building and loan association shall be required to pay to the Treasurer, through the Banking Commissioner of Texas, fees, which are in lieu of examination fees, based upon its gross assets in amounts not exceeding figures calculated in accordance with the following schedules: Those with assets less than \$250,000 pay \$50; \$250,000 to \$500,000 pay \$71.33; \$500,000 to \$750,000 pay \$100; \$750,000 to \$1,000,000 pay \$133.33; \$1,000,000 to \$1,250,000 pay \$166.67; \$1,250,000 to \$1,500,000 pay \$200; \$1,500,000 to \$1,750,000 pay \$233.33; \$1,750,000 to \$2,000,000 pay \$266.67; \$2,000,000 to \$2,500,000 pay \$333.33; \$2,500,000 to \$3,000,000 pay \$400.

For associations with assets from \$3,000,000 to \$6,000,000 in size add \$50 for each million in excess of \$3,000,000; for associations with assets over \$6,000,000 add \$20 for each million in excess of \$6,000,000. The Banking Commissioner of Texas shall in September of each year, by resolution in its minutes, assess enough against the associations to carry out the provisions of this act; and said fees when collected shall be placed in a separate fund with the State Treasurer to be expended during the current year, or so much thereof as may be necessary in carrying out the provisions of this act; and should there be an unexpended balance at the end of the year, the Banking Commissioner of Texas shall reduce the assessment for the succeeding year so that the amount produced and paid into the State Treasury, together with said unexpended balance in the Treasury, will not exceed the amount appropriated for the current year, to pay all necessary expenses of supervising the operation and examining the business of the associations doing business under the provisions of this act, which funds shall be paid out upon requisition made out and filed by the Banking Commissioner of Texas, when the Comptroller shall issue warrants therefor.

Sec. 10. Examinations. The Banking Commissioner of Texas shall annually, or oftener if it is deemed advisable, either in person or through duly appointed representatives, make a thorough and complete examination of every building and loan association doing business in

this State, and for that purpose shall have the right of access to the offices and to all books and records of said company wherever the same may be kept, and also shall have the right to require the officers, employees or agents of such company, or any person connected therewith, to answer under oath any interrogatories addressed to them pertinent to the business of such company, and any willful false swearing shall be deemed perjury and be punishable as such. The Examiner shall make a report of his findings and file the same in the office of the Banking Commissioner of Texas and the Commissioner shall furnish a copy of such report to the association examined. Such examiner shall report any violation of law or any unauthorized or unsound practices of such association. He shall be paid such salary or fee for examinations, not to exceed fifteen dollars per day, as shall be authorized by the Banking Commissioner of Texas, which salary or fee and traveling expenses shall be paid out of the fees accumulated under Section 9.

Sec. 11. Prolonged Audit. The annual fees provided for in Section 9 of this Act entitle each domestic building and loan association to one examination by the Banking Commissioner of Texas, or more if in their judgment additional examinations are necessary or advisable. If in any case the conditions existing in any such association are found to be such as to necessitate, instead of an examination, a prolonged audit and investigation and revaluation of real estate in order to ascertain the true status of its affairs, the whole expense of such examination and reappraisal shall be defrayed by such association, but the expense of such audit shall not exceed one-fourth of one per cent of the total assets of such association, and in no event shall it exceed one thousand dollars.

Sec. 12. Accounting System; Appraisal Record. Every association shall keep its books in such form as to accurately show its assets and liabilities, income and disbursements, in detail, and showing the appraised values in ink of the real estate security held in connection with each loan and signed in each case by the appraiser, officer or committee charged with making such estimated valuations.

Sec. 13. Illegal, Unauthorized, Unsafe, or Fraudulent Practices—Remedies. In case the Banking Commissioner of Texas shall find, upon examination

or from other evidence, that any building and loan association is conducting its business, in whole or in part, contrary to law, or failing to comply with the law, that its assets are less than its liabilities, including all its capital stock, or is conducting its business in an unsafe, unauthorized or fraudulent manner, the Banking Commissioner of Texas shall, by an order in writing addressed to the president of such association, direct attention thereto and order compliance with the law, and that the assets be increased to equal liabilities, and in case such association shall refuse or neglect to comply with any such order lawfully made, or in case any such association is insolvent or in danger of insolvency, or its assets are impaired, then the Banking Commissioner of Texas shall annul its certificate of authority and may begin an action to revoke the charter of such association and for the appointment of a receiver thereof and the winding up of its affairs. Any action begun under this section

Sec. 14. Report of the Attorney General. Should the Banking Commissioner of Texas find, upon examination, that the affairs of any such association are in unsound condition and that the interests of the public demand the dissolution of such association and the winding up of its business, it shall so report to the Attorney General, who shall institute the proper proceedings for that purpose.

Sec. 15. Refusal to Permit Examination. The refusal of any such association to permit the examination of its affairs, as authorized by this act, shall be sufficient cause for institution of proceedings to wind up its affairs and to forfeit the charter and liquidate the association by receivership as permitted by the laws of this State.

Sec. 16. Remedies Cumulative. The rights and remedies given by the two preceding sections are cumulative of each other, but no involuntary liquidation of any association shall be accomplished except as above provided; that is to say, at the suit of the Attorney General, on information and request of the Banking Commissioner of Texas.

Sec. 17. Fiscal Year—Financial Statements. The fiscal year for each

domestic building and loan association authorized to do business in this State shall be the same as the calendar year. On the first day of January and on the first day of July of each year, or within thirty days after such dates, such association shall publish in at least one newspaper published in the place where its principal office may be located, or, if no newspaper be published in such place, then in a newspaper published nearest such place, a financial statement showing the condition of such company at the close of business on the previous December 31 and June 30, upon such form as may be prescribed by the Banking Commissioner of Texas; such printed statement to be verified by the oaths of the president and the secretary or treasurer; one copy of the newspaper containing such financial statement to be furnished to the Banking Commissioner of Texas within five days after publication and one copy to be recorded in the minute book of the board of directors of such association.

Sec. 18. Communications from Banking Commissioner of Texas. Each official communication directed by the Banking Commissioner of Texas, or one of his examiners or deputies, to a building and loan association, or an officer thereof, relating to an investigation or examination conducted by the Banking Commissioner of Texas or containing suggestions or recommendations as to the conduct of the business of the association, shall be submitted by the officer receiving it to the board of directors at the next meeting of the board and noted in the minutes of the meetings of such board.

Sec. 19. Report to Governor. The Banking Commissioner of Texas shall annually, at the earliest possible date after the statements of all building and loan associations are received, make a report to the Governor of the general conduct and condition of all building and loan associations doing business in this State, including the information contained in such building and loan associations' annual statements, arranged in tabular form, together with such suggestions as it may deem expedient. There shall be printed of such report as many copies, not less than one thousand, as the Banking Commissioner of Texas may deem necessary, and such report shall also contain a copy of this act, with any decisions or rulings which have been made regarding any section thereof.

Sec. 20. Disclosures of Examiners—Penalty. Any examiner, inspector, dep-

uty, assistant or clerk, appointed or acting under the provisions of this act, failing to keep secret any facts or information adverse to the association obtained in the course of an examination or by reason of his official position, except when the public duty of such officer required him to report upon or take official action regarding the affairs of the association so examined, or who willfully makes a false official report as to the condition of such association, shall be removed from his position or office and shall be fined not more than five hundred dollars or imprisoned in the county jail for not more than one year, or both. Reports of examinations made to the Banking Commissioner of Texas shall be regarded as confidential and not for public record or inspection, except that for good reason same may be made public by the Commissioner. Nothing herein shall prevent the proper exchange of information relating to building and loan associations and the business thereof with the representatives of building and loan departments of other States, but in no case shall the private business or affairs of any individual association or company be disclosed. Any official violating any provision of this section, in addition to the penalties herein provided, shall be liable, with his bondsmen, to the person or corporation injured by the disclosure of such secrets; provided, however, that any association shall have a hearing before the Commissioner when dissatisfied with such report and within thirty days after such hearing and the amending and change, if any, of such report, as may be directed by the Commissioner, such final report shall become a public record open to inspection.

Sec. 21. Extension of Time of Corporation. Any building and loan association incorporated under this or any prior law may extend the duration for which said association was organized by a vote of two-thirds of the capital stock of such association represented and voting at any annual meeting of the stockholders of such association, or at any special meeting called for that purpose; thereupon the board of directors shall transmit a copy of the proceedings of such annual meeting, or of such special meeting, duly attested, to the Banking Commissioner of Texas, who shall make a duly authenticated copy thereof, certifying to the extension of time of such corporation. Any building and loan association incorporated under any prior law and extending the duration of the

time for which it was incorporated in the manner herein provided shall be deemed as incorporated under and be invested with all the power given in this act the same as though such corporation had been originally incorporated under it.

Sec. 22. Bonds of Officers and Employees. Every officer, director, employee or agent handling or having the custody or charge of funds, securities, books or records belonging to such association shall, before entering upon the discharge of his duties, give a good and sufficient bond in such sum as may be fixed by the board of directors of any such building and loan association, conditioned for the faithful performance of his duties, and such pecuniary loss as the association may sustain for money or other valuable securities embezzled, wrongfully abstracted or willfully misapplied by any such officer or employee in the course of his employment as such or in the course of his employment in any other position in such association, whether he be assigned, appointed, elected, re-elected or temporarily assigned to said position. Such bond shall be made by a surety corporation authorized to do business as such in this State. The amount of such bond and the solvency of such surety corporation shall be subject to the approval of the Banking Commissioner of Texas, and such bond shall be made upon forms prepared by the Banking Commissioner of Texas; provided, that in lieu of individual bonds, a blanket bond covering all active officers and employees of such association may be executed, subject to the same provisions as to approval of surety, amount and form specified herein. The board of directors may require any other bond or bonds in addition to that herein required, at their discretion. Officers of associations who do not handle the associations' funds or securities or draw a salary shall not be required to give bond. Bonds shall be executed in duplicate-original, and one copy shall be filed with the Banking Commissioner of Texas, the other copy shall be retained by an officer or custodian of the association.

Sec. 23. Married Women May Subscribe. Married women may become subscribers to the capital stock of any association and hold, pledge, hypothecate, control, transfer and withdraw the same in all respects as feme sole, without the consent or joinder of their husbands. Such investments shall not be subject to the control or be liable for the debts of the husband.

Sec. 24. Joint Shares. Stock issued by any association to the name of and/or may be withdrawn on the signature of either party so named, and no recovery shall be had against such association for amounts so paid.

Sec. 25. Trust Funds. An administrator, executor, guardian or trustee, or other fiduciary, may in such capacity acquire and hold shares in any building and loan association of this State, and shall have the same rights and be subject to the same obligations and limitations as other shareholders and be withdrawable by them. Any Texas corporation may invest in shares in any Texas building and loan association.

Sec. 26. Restrictions as to Loans. No building and loan association shall (1) make a mortgage loan to an officer or director of such association, either directly or indirectly, unless such loan be first approved unanimously by the board of directors, such approval to be recorded by aye and nay vote in the minutes of the meeting of the board; (2) make loans exceeding in the aggregate five thousand dollars to one borrower upon real estate security if the assets of the association do not exceed fifty thousand dollars, nor shall any such association make loans exceeding in the aggregate ten thousand dollars to one borrower upon real estate security if the assets of such association exceed fifty thousand dollars, but do not exceed two hundred thousand dollars; nor shall any such association make loans exceeding in the aggregate twenty thousand dollars to one borrower upon real estate security if the assets of such association exceed two hundred thousand dollars, but do not exceed five hundred thousand dollars; and provided further, that no building and loan association shall at any time make loans in the aggregate in excess of fifty thousand dollars to one borrower unless such loan or loans in excess of fifty thousand dollars shall be not more than one-half of one per cent of the assets of such association; (3) take a mortgage loan or loans upon real estate which is not secured by a first and prior lien upon the property described in such mortgage, unless every prior lien or encumbrance thereon is owned by it, and no such prior mortgage, lien or encumbrance shall be sold, transferred or assigned by such association until every subsequent mortgage, lien or encumbrance owned by it shall have been fully paid and satisfied; (4) make a loan upon real estate security unless the bor-

rower furnishes to such association a satisfactory abstract of title for such real estate, showing good title to such real estate in the borrower, or unless the borrower furnishes a policy of title insurance of a title insurance company authorized to insure titles in this State; (5) make a loan upon real estate unless the improvements thereon are insured against loss by fire, lightning, tornado and wind storm to the satisfaction of the board of directors; (6) fail to record forthwith in the office of the proper recording officer of the county in which the real estate security accepted by such association is located every mortgage and every assignment of a mortgage taken by any such association, such mortgage or assignment, after recording, to be kept in the permanent files of such association, subject to the examination of the State Examiner, until the loan is fully discharged; (7) assign any note or mortgage given by members thereof belonging to any such association, unless approved by the board of directors.

Sec. 27. Restrictions on Taking, Holding and Conveying Real Estate. Every parcel of real estate acquired by any such association shall be sold by it within five years of the date on which it shall have been acquired, unless (a) there shall be a building thereon occupied by it as an office; or (b) the Banking Commissioner of Texas, on application of the board of directors, shall have extended the time within which such sale shall be made. No purchase or exchange of real estate shall be made by any such association unless authorized by a vote of two-thirds of its directors, and, if such exchange involves the payment by the association of any difference in value, by the unanimous approval of the board of directors. No building and loan association shall enter or at any time carry on its books the real estate and the building or buildings thereon used by it as a place of business, at a valuation exceeding their actual cost to such association, unless such additional valuation has been specifically approved in writing by the Banking Commissioner of Texas. No real estate taken by such association in satisfaction of debts previously contracted in the course of its business or purchased at sales under judgments, decrees or mortgages held by it shall be entered or carried on its books at a value in excess of the amount due the association, including principal, interest, premium, advances of taxes and insurance, attorney's fees and court

costs, less the withdrawal value of the shares pledged as security for such debt, unless permanent improvements have been made thereon and the value of the property as improved shall have been determined by a written appraisal made in accordance with the manner governing original appraisals as specified in Section 12 of this act, and in no event shall such book value exceed the true value as determined by proper appraisals.

Sec. 28. Restrictions as to Deposit Accounts. No building and loan association shall carry or have upon its books at any time any demand, commercial or checking account, or any credit to be withdrawn upon the presentation of any negotiable check or draft, and no such association shall receive any savings account or any sum of money which does not represent a payment made upon shares of stock.

Sec. 29. Existing Associations. All Texas building and loan associations, now or hereafter organized, and all foreign associations, now or hereafter organized to do business in Texas, shall continue their corporate existence and power and be subject to the provisions of this act in like manner as corporations which are incorporated hereunder.

Sec. 30. Articles of Association. Any number of persons, not less than five, who are citizens of this State, desiring to incorporate a building and loan association, may, by complying with the provisions of this act and entering into articles of association, become a corporate body. Such articles of association shall be signed by the persons associating and acknowledged before some person authorized by the laws of this State to take acknowledgements to deeds, and shall set forth:

1. The name assumed by the association, which shall not be the name assumed by any other association incorporated under this law, nor so similar as to be liable to mislead. The name of the associations hereafter formed shall terminate with the words "building and loan association."

2. The purpose for which the association is formed.

3. The name of the city, town or village and the county wherein the principal place of the business of the association is to be located, and which must be within the State of Texas.

4. The amount of its authorized capital stock, which shall be divided into shares of the maturity or par value of not less than one hundred dollars each.

5. The names of the incorporators; their respective occupations and residence address, and a statement of the number of shares subscribed by each, and the amount of cash payment made upon such shares by each.

6. The amount of capital actually paid in, which shall in no event be less than one thousand dollars if the home office of the association is located in a town having a population of less than ten thousand inhabitants, and which shall not be less than two thousand dollars if the home office of the association is located in a city having a population of more than ten thousand and less than fifty thousand inhabitants, and which shall not be less than ten thousand dollars if the home office of the association is located in a city having a population of more than fifty thousand and less than one hundred and fifty thousand inhabitants, and which shall not be less than twenty-five thousand dollars if the home office of the association is located in a city having not less than one hundred and fifty thousand inhabitants. The population of all towns and cities, for the purpose of fixing the minimum paid-in capital stock of the association under this section, shall be ascertained by reference to the last preceding Federal census. All payments for shares of required paid-in capital stock must be in lawful money of the United States and must be in the custody of the persons named as the first board of directors.

7. The term of corporate existence, which shall not exceed fifty years, but which period may be extended as provided in this act.

8. The number of directors of the association, which shall not be less than five nor more than twenty-one, and the names of the incorporators, which shall be its first directors until the first annual meeting. The incorporators named as directors must possess the qualifications of directors specified in Section 33 of this act.

Sec. 31. Application for Charter. When articles of incorporation or association are regularly executed, as herein provided, they shall be presented to the Banking Commissioner of Texas, together with the by-laws of the association, and must be accompanied by the fees provided herein.

Sec. 32. Amendment of Charter. Any building and loan association heretofore or hereafter incorporated under the laws of this State may, by a resolution adopted by a two-thirds vote of shares

represented and voted at any annual meeting, or at any meeting called for that purpose, increase its authorized capital stock or amend its articles of association or by-laws in any manner not inconsistent with the provisions of this act. No such increase of capital stock nor amendments to the articles of incorporation or to the by-laws shall have effect until a copy of such resolution, certified by the president and secretary of such association, shall be filed, approved and recorded in the manner as is provided in this law.

Sec. 33. Directors—Qualifications. The corporate powers of every building and loan association heretofore organized under the laws of this State, or which may be incorporated under this act, shall be exercised by a board of directors, who shall elect the officers of the association. The by-laws of every building and loan association may prescribe other qualifications for directors, but no person shall be eligible to election as a director unless he is the owner in good faith and in his own right on the books of the association of shares upon which at least two hundred dollars in cash has been paid; and if the association be one located in a town or city having a population of more than twenty thousand and less than one hundred thousand inhabitants, there must have been at least five hundred dollars paid in on the shares held by him; and if the association be one located in a town or city having a population of more than one hundred thousand inhabitants, there must have been at least one thousand dollars paid in on shares held by him; and such amount shall not be reduced by withdrawal or pledge for a loan with the association, or in any other manner, so long as he remains a director of the association. Every director, who, if, after his election as such, ceases to be the owner in his own right of the necessary qualifying shares, or who shall pledge or hypothecate with such association, of which he is a director, the shares necessary to qualify him as such director, shall thereby vacate his office. The Banking Commissioner of Texas may remove any officer or director of any such building and loan association for just cause specified by him and after ten days' notice in writing to such person. Any officer or director so notified of the intention of the Commissioner and feeling himself aggrieved by such removal, shall have a right to apply to the district court of his residence for a

writ of injunction to restrain such removal, as in ordinary injunction cases.

Sec. 34. Neglecting to Elect Officers. No building and loan association created under this act shall cease or expire from neglect on the part of the corporation to elect officers or directors at the time mentioned in their by-laws, and all directors and officers elected by such corporation shall hold their offices until their successors are duly elected and qualified.

Sec. 35. Membership — Liability — Capital Definition. The members of a building and loan association shall be only those persons to whom its shares have been issued or transferred in accordance with the provisions of its by-laws; provided, that unless prohibited by the by-laws, corporations may become shareholders and members in the same manner as natural persons. Membership shall continue until such shares have been matured and paid, withdrawn, transferred, retired or forfeited. The payments made to any such association upon shares issued by it shall be called "dues." The capital of every building and loan association shall consist of the accumulated payments actually made upon the shares and the dividends credited thereto, either individually or by series, and it shall be unlawful for any association to represent itself as having, either by newspaper advertising, letter, circular or otherwise, a greater capital than that herein described. Every share issued by such association shall have a paid-up or matured or par value of not less than one hundred dollars each. For any losses of money which the capital shall not be sufficient to satisfy, the members of such corporations shall not be responsible and the shares shall not be subject to further assessment, nor shall the members be liable for any unpaid installments upon their stock subscriptions.

Sec. 36. Nature of Association. Every building and loan association shall be either permanent or serial in character. A permanent association may issue shares at any time and credit and pay dividends thereon as earned and declared, as may be provided in the by-laws. A serial association shall issue its installment shares in series and credit the dividends apportioned to such shares by series; but no additional shares shall be issued in any series after a dividend has been credited thereto unless the person to whom such shares shall be issued shall pay therefor the book value of such shares at the last declaration of dividends plus the dues

payable thereon since such declaration, with accrued interest. Dividends credited by serial associations upon other classes of shares issued by it may be credited in the passbooks of its members. Shares which have not been transferred to the association as security for the repayment of a loan shall be called "free" shares. Shares that have been so transferred shall be called "pledged" shares.

Sec. 37. Class of Shares. All building and loan associations, when provided in its by-laws, may issue different classes of shares as provided herein:

(a) Installment shares, (1) with full participation in all dividends that may be declared by such association, and upon which a regular payment of dues of not less than twenty-five cents or more than two dollars per one hundred dollars share per month shall be made at stated periods expressed by its by-laws, until such shares reach their matured value, or are withdrawn, retired or forfeited; (2) or with no participation in such dividends, the dues being payable thereon in regular amounts at stated periods expressed by its by-laws, and being immediately or at stated periods applied, in reduction of a debt due to the association from the holder thereof in accordance with a direction given by him.

(b) Thrift or optional-payment shares, which shall participate in the dividends apportioned by the association and shall be credited therewith at a rate not less than sixty per centum of the rate of dividend apportioned and credited to installment shares, as the by-laws shall provide, and upon which dues shall be paid in such sums and at such times as the holder thereof may elect until the shares reach their matured value, are withdrawn or retired.

(c) Advance-payment, Accumulative or Pre-paid shares upon which a single payment of dues to the amount of fifty per cent or more of the maturity value of such shares shall be paid at the time the shares are issued. The dividends on these shares shall not exceed the dividends apportioned and credited to installment shares, and the whole or a part of the dividends apportioned to these shares shall be credited to them until such shares are matured, withdrawn or retired. Any balance of such dividends not so credited shall be paid in cash to the holder of such shares, at regular dividend paying periods.

(d) Fully-paid or income shares upon which a single payment of dues amount-

ing to the par or maturity value shall be paid at the time when such shares are issued. The dividends on these shares shall be paid in cash at a rate not exceeding at any time the rate at which dividends are apportioned and credited to installment shares, and providing that agreements may be entered into by and between any such association and any of its members holding fully paid or income shares, as the by-laws shall provide, whereby said members waive participation in the general profits of such association.

(c) Juvenile shares which may be issued in the name of any minor. Such shares shall be held for the exclusive right and benefit of the minor and free from the control or lien of any other persons. The dues paid upon these shares, together with the dividends credited thereto, may be withdrawn in whole or in part by the person in whose name they were issued during his minority and his receipts or acquittance shall be a valid and sufficient release and discharge to the association for such accumulated dues together with the dividends credited thereon, or any part thereof. Juvenile shares shall not be subject to any membership or withdrawal fees of any nature, or to fines for failure to pay dues punctually, nor shall the holder thereof be required to make regular or specific payments. Such shares shall not be chargeable with losses of any kind nor shall they entitle the holder to vote at any meeting of the shareholders. Such shares may be credited with dividends at a rate not less than sixty per centum of the rate of dividend apportioned and credited to installment shares, as the by-laws shall provide. The matured value of all the juvenile shares issued by an association shall not exceed in the aggregate at the time of issue, twenty-five per centum of the aggregate matured value of existing shares of all other classes.

(f) Reserve fund or permanent stock, which when sold may not be withdrawn, until after all liabilities of the association have been satisfied in full, including the full book value of all other types of classes of stock, and which may receive as dividends all the earnings of the association after expenses have been paid and the maximum dividends provided for other classes of stock have been paid or credited; which such shares if allowed by the by-laws must be fully paid for in advance, and against which

the association may not make any loans; and which fully paid reserve fund or permanent stock must at all times be at least five per cent of the gross assets of the association, but not less than twenty-five thousand dollars, but which shall not be required to exceed two hundred and fifty thousand dollars, and existing associations now having reserve fund or permanent shares shall have twelve months after this act takes effect in which to pay in the amount required to conform to this section.

(g) Such other and different classes of shares as may be provided in its by-laws, but only after the by-laws provisions applying thereto have been specially approved by the Banking Commissioner of Texas.

Sec. 38. Investment of Funds. Subject to the provisions of this act, any building and loan association may invest the funds received by it as follows:

1. In loans to its members, either with or without premium as the borrower may in writing agree to pay. The manner in which said premium, if any, shall be paid shall be prescribed in the by-laws.

(a) Borrowers shall be required to execute their note or obligation payable directly to the association, and to transfer and pledge to the association installment shares of the association having a matured value at least equal to the amount of such loan, and further secured by a mortgage or deed of trust on improved real estate, unincumbered except by prior liens held by such association. No loan made to a member upon real estate security shall exceed in amount two-thirds of the appraised valuation of such real estate, such appraisal to be made in writing by an appraiser or a committee of appraisers appointed by the Board of Directors, which appraisal report shall state the conservative value of the real property and the improvements separately and which report shall be filed as a permanent record of such association.

(b) Upon their note or obligation payable directly to the association, secured by the transfer and pledge to the association, of installment shares having a matured value at least equal to the amount of such loan, and further secured by first mortgage or deed of trust lien upon improved real estate by the terms of which dues paid by the borrower may by his direction, be immediately, or at stated periods as agreed up-

on with borrower, applied in, reduction of his indebtedness; and provided further that said loan shall not exceed two-thirds of the conservative appraised valuation of the real estate securing such loan, the value of the real estate being determined in accordance with terms and in the manner herein expressed. Provided, however, that the installment shares pledged under (a) and (b) above shall require a minimum dues payment of 25c per month per \$100.00 share; provided, further that subject to the approval of the Commissioner, the number of payments of dues, interest and premium required from the borrowing shareholder to pay off his loan and secure a release may be limited to such a definite number as their by-laws provide; (c) upon their note or obligation, payable in monthly installments directly to the association, said installment on principal to be not less than \$2.50 per \$1,000 of the amount of loan, secured by first mortgage or deed of trust lien upon improved real estate; and provided further that said loan shall not exceed two-thirds of the conservative appraised valuation of the real estate securing such loan, the value of said real estate being determined in accordance with terms and the manner herein expressed. (d) Upon their notes secured by the transfer and pledge to the association of its free shares, no such loan or loans to exceed an amount equal to ninety per cent of the withdrawal value of such shares pledged for security. All such notes and mortgages taken by any such association from its members shall be deemed to obligate the maker to the performance of the provisions of this act and by-laws of the association relating to payment of loans, premium, interest, dues, fees and fines, although the same may not be fully expressed therein. Such association may advance such sums from time to time for the payment of insurance premiums and taxes due and owing on real estate upon which it has loaned money and to carry such advances upon its books as an asset of the association, and such association shall have a good and valid lien against such real estate and pledged shares to secure the payment of funds so advanced.

(e) On first mortgages secured by improved real property worth 50 per cent more than amount of loan and which may be repaid in monthly installments as may be provided in the deed of trust, or other liens or contracts.

2. In real property as follows: (a) Any building and loan association having assets of five hundred thousand dollars or more may, with the approval of the Banking Commissioner of Texas permanently invest a portion of its fund in the purchase of lands and the erection of buildings for the purpose of providing offices for the transaction of its business, from portions of which not required for its own use, a revenue may be derived, provided that the amount so invested shall not exceed five per cent of all other assets of such association; (b) such real estate as shall be conveyed to it in satisfaction of debts previously contracted in the course of its business; (c) such real estate as it shall purchase at sales under foreclosure at any sheriff's or other judicial sale, or at any other sale, public or private, upon which real estate the association may have or hold any mortgage lien, or other incumbrance or in which the association may have any interest for the purpose of collecting any debt due it or for the protection of its interest in such real estate. Real estate may be acquired and sold in accordance with the provisions of Section 27 hereof.

3. If at any time it has funds in the treasury applicable for loans, which funds are deemed to be in excess of the amount needed for loans to its members and for the payment of matured shares and withdrawals, such association may invest its funds (a) in loans to non-members upon improved real estate, secured by first mortgage liens upon such security in an amount not to exceed fifty per cent of the conservative appraised value of such real estate, the value to be determined in the manner provided in this section; (b) securities as are authorized to be accepted by savings banks and savings departments of state banks in this State; (c) in temporary loans to other building and loan associations incorporated under this Act, such loans to be made only when approved by the Banking Commissioner of Texas. No loans shall at any time be made to members, or others, on personal security or on leaseholds. At no time shall the aggregate amount of funds invested by such association in the loans and securities authorized under subdivision three of this section exceed twenty per cent of the gross assets.

4. A reasonable amount in furniture and fixtures, against which must be charged a sufficient annual depreciation.

Sec. 39. Foreclosure. Whenever any

borrower shall be in arrears or in default in the performance of any of the obligations legally imposed upon him by an association or by the terms of his note, mortgage, deed of trust or other evidence of indebtedness, and such arrearage or such default shall continue for the period of two months, the board of directors may, at their discretion, declare the pledge shares forfeited and the whole amount of the loan due and payable, and its collection, together with arrears of interest, premium and fines, may be enforced by proceedings upon the security held by the association in accordance with law. The withdrawal value of the pledged shares or bonds at the time of the commencement of foreclosure proceedings shall be credited upon the loan.

Sec. 40. Repayment of Loans. Any loan made by a building and loan association may be repaid at any time after three months has elapsed from the time of making such loan, provided the borrower shall pay the principal due thereon (less the withdrawal value of the shares transferred as security therefor), loan expenses, the premium due and the interest accrued at the time of such repayment, and all sums advanced by the association for taxes, assessments or insurance premiums, with interest thereon; and in addition there-to interest on the principal repaid for the period of three months after the date of repayment. Any borrower desiring to retain the shares may repay his loan without claiming credit for the withdrawal value of such shares, whereupon such shares shall be retransferred to the borrower and shall be free from any claim by reason of said loan. If any such association is in process of voluntary liquidation, the shares of a borrowing member shall be entitled to full particulars in the assets of such association, and their value as thus determined shall be applied upon the indebtedness of such member. If any such association is in process of involuntary liquidation, the minimum value of the shares owned by the borrowing member, which amount is to be applied by the receiver upon the indebtedness of the member, must be not less than the actual dues payments made by such borrower upon his shares plus credited dividends less any lawful charges owing upon such shares.

Sec. 41. Operating Contracts. No building and loan association may hereafter make an operating or management

contract with any person except with the express approval and consent of the Banking Commissioner of Texas, nor shall any existing contract be extended, renewed or transferred without such consent and approval. But nothing herein shall be held to validate or invalidate existing contract.

Sec. 42. Dividends and Reserve. The gross earnings of every building and loan association shall be ascertained at least semi-annually. From which shall be deducted a sufficient amount to meet the operating expenses of such association, and from said earnings only shall such expenses be paid. If the reserve fund shall not equal five per cent of the outstanding loans at the time of each apportionment of profits, hereinafter provided, the directors shall, before apportioning profits, set aside, as a reserve fund not less than one per cent of the net profits accruing since last prior apportionment, and shall continue to do so until said fund shall amount to at least five per cent of the loans in force. Said reserve fund shall at all times be available to meet losses arising from any source, including depreciation of securities. After providing for the expenses and obligations of the association and the reserve fund as aforesaid, the residue of such earnings shall, on June 30 and December 31 of each year, and at such other times as the by-laws provide, be transferred and apportioned to the credit of the shareholders, as the association by its by-laws shall provide.

Sec. 43. Undivided Profits—Investment of Reserve and Undivided Profits. It shall be lawful for a building and loan association, in addition to the contingent reserve fund herein provided for, to hold in its fund of undivided profits such sum as the Board of Directors may, from time to time, deem necessary or wise; provided, however, that such undivided profits of any association shall at no time exceed three per cent of the total resources of the association, and that if such undivided profits shall exceed three per cent of the resources of such association, the Board of Directors shall declare such extra dividends regularly apportioned in accordance with the by-laws. The board of directors are authorized and empowered to invest all reserve funds and undivided profit funds in the same manner and in same class of securities as is provided in this act for all other funds of such association.

Sec. 44. Power to Borrow Money.

Building and loan associations may borrow money for any of its corporate purposes, when authorized by proper resolution of its board of directors, such loans not to exceed, however, twenty per cent of the accumulated capital and in no event to exceed five hundred thousand dollars, unless such excess loan over twenty per cent or over \$500,000 be first approved by the Banking Commissioner of Texas. No loan shall be made for a longer period than two years, and no association shall have authority to issue bonds or debentures against its mortgage loans. Such association may issue its evidence of indebtedness therefor; and such association may borrow from and lend to like associations upon the approval of the board of directors of both the borrowing and the lending associations, together with the approval of the Banking Commissioner of Texas. Whenever the Banking Commissioner of Texas shall deem any indebtedness incurred under the provisions of this section to be detrimental to the interest of the share holders of any such association, it shall notify such association to reduce its indebtedness to such amount as shall be considered reasonable, giving such association a reasonable time in which to effect such reduction of indebtedness.

Sec. 45. Membership Fee. No association authorized to do business in this State is authorized to charge in excess of two per cent of the par or maturity value of each \$100 share of stock issued as a membership fee, a cancellation fee or a withdrawal fee, and provided that this limitation of charge shall apply to any fee or premium by whatsoever name called or designated, provided, however, the stipulated monthly payment upon any investment share upon which a membership or withdrawal fee may be charged shall not be less than 50 cents per \$100 share; and provided further that any domestic building and loan association in business on January 1, 1929, which does not solicit stock subscriptions in a territory other than the county of the home office or at a distance greater than fifty miles from the town or city of its home office may charge, in lieu of the \$2 per \$100 membership fee (but not in addition thereto), a monthly service charge of not to exceed 5c per \$100, providing said association is at the time of the passage of this act making such charge, and provided further, that such association if making such charge shall be limited in its expense

disbursement for general operating purposes to such monthly expense receipts and shall not use interest profits for expense purposes. Each association doing business in this State shall cause to be printed, stamped or written upon the application for membership and stock, the application for a loan, and upon the stock certificate and the pass book, the amount of the membership fee, cancellation or withdrawal fee and premium applying to such transaction, if any, calculated in dollars; and provided, further, that any building and loan association doing business in this State which may undertake to guarantee either the rate of dividend or the time of maturity of its investment shares or certificates, must submit the form of such shares or certificates to the Banking Commissioner of Texas for approval; and such form shall not be approved if any of the terms contained therein violate the provisions of this act, or if the withdrawal values expressed therein provided for the forfeiture of any sums paid in upon such investment shares or certificates to a greater amount than the \$2 per \$100 maturity value of such shares or certificates as provided in this section, and which withdrawal value must also give the holder the benefit of accrued interest or dividend up to the time of withdrawal at the rate, compounded semi-annually, expressed in said investment shares or certificates.

Sec. 46. Any resident of this State who may be induced to purchase stock in any building and loan association upon the representation that he will obtain a loan of money secured by real estate from such association, and shall, at the time of subscribing for such stock or within a reasonable time thereafter, apply for such loan in writing to an agent or to the home office of such building and loan association, shall upon complying with all the by-laws, rules and regulations of such association, which are not in conflict with this act, be entitled to a loan of money not to exceed the par value of his stock in such association. If such association shall not, within one hundred and twenty days from the date of such application for loan from such stockholder, close up such loan and pay over the proceeds thereof to such borrower, less the expenses therein mentioned, then and in that event such association shall pay back to such proposed borrowing stockholder all money paid for stock of such association,

without deduction for membership, cancellation or withdrawal fees.

Sec. 47. Withdrawals. No building and loan association shall permit any member to withdraw any portion of his investment in excess of \$500 in any one month without thirty days written notice to the association, and any withdrawal must be made subject to the provisions of the by-laws with respect thereto, providing, however, that whenever the association has on hand idle funds it may pay same out to its members when and as may be determined by the board of directors, and provided in by-laws approved by the Banking Commissioners of Texas. The withdrawing shareholder or the legal representative of any deceased shareholder shall be paid the amount of the withdrawal value of the shares, provided, that upon withdrawal of shares pledged to the association for a stock loan, the association shall first deduct therefrom the indebtedness due the association, and withdrawals shall be paid in the order of their filing, except as hereinafter provided, and it shall be the duty of the secretary or other officer discharging such duties to enter upon each notice the order and date of filing. Except as hereinafter provided, not more than one-half of the receipts of the association in any month shall be applied to the payment of withdrawals without the consent of the board of directors. Whenever an application for withdrawal shall have been on file and shall have remained unpaid for a period of twelve months, all of the receipts of the association in any month from dues, loans repaid, and the proceeds of all other investments shall be applied to the payment of withdrawals, and the board of directors or the Banking Commissioner of Texas, in their discretion, may direct that withdrawals thereafter be paid upon a ratable and proportionate basis. After filing notice of withdrawal provided herein, the withdrawing member shall be entitled to the dividends credited to the same class of shares until the final payment of his shares is made, and membership in the association shall remain unimpaired so long as any accumulation remains to his credit. No officer, director, attorney, clerk or agent of the association, and no person in any way interested or concerned in the management of its affairs may discount directly or indirectly, or directly or indirectly purchase a share of any such association, whether filed for withdrawal or not,

except by the payment therefor of the withdrawal value of such share as determined herein.

Sec. 48. Defining Withdrawal Value. By the term "withdrawal value" as used herein is meant the value of the shares at the time indicated in the connection in which the words are used less the lawful charges and deductions, if any, against such shares in favor of the association.

Sec. 49. Matured Shares. Whenever the dues and dividends credited to the shares of any such association shall equal their matured value, notice of such maturity shall be given to the holders thereof and the payment of dues thereon shall cease. For the purpose of maturing shares, a special dividend may be credited between dividend dates to shares nearly matured at the same rate at which the last periodical dividend was credited, providing the earnings for the current dividend period justify such special dividend.

Sec. 50. Forfeiture and Retirement of Shares. If a shareholder be in arrears in the payment of dues upon unpledged shares, the board of directors may, if the shareholder fails to pay the amount of arrears within sixty days after notice, declare said shares forfeited. Fines for the non-payment of dues, interest or premium shall not exceed one per cent per month on each dollar in arrears. The withdrawal value of such shares at the time of forfeiture shall be ascertained and paid to such shareholder upon the surrender of the certificate and pass book. The board of directors may retire all classes of free shares, enforcing the withdrawal of same, provided, however, that the by-laws of such association shall clearly state the manner in which such withdrawals shall be enforced; and provided, also, that the holders thereof shall be paid the full withdrawal value of the shares.

Sec. 51. Transfer of Shares. Shares shall be non-negotiable, and payments on shares made by any association to the holders of record shall be a full discharge thereof.

Sec. 52. Conveying Property Mortgaged to Association. The conveyance or transfer of property mortgaged to a building and loan association shall, unless otherwise expressly stated in the instrument of conveyance, act as a transfer also of the shares of such association securing said loan. If a borrowing member of any building and loan

association shall convey the title to any property upon which such borrowing member has given to the association a mortgage lien, without the purchaser assuming the payment of the indebtedness to the association thereby accrued, the board of directors may, in their discretion, declare the entire indebtedness due and proceed to the collection of the debt in the manner provided by the by-laws of such association and by this act.

Sec. 53. Member Not Disqualified to Take Acknowledgements on Proof of Written Instrument. No notary public or other public officer qualified to take acknowledgements or proofs of written instruments shall be disqualified from taking the acknowledgement or proof of an instrument in writing in which a building and loan association is interested by reason of his membership or stockholding in or employment by the building and loan association interested in such instrument, and any such acknowledgements heretofore taken are hereby validated.

Sec. 54. Tax Assessment of Association. Every building and loan association doing business in this State shall, in the city or town in which it is located, render its property therein located to the tax assessor at the time fixed by law and in the following manner: (a) The value of its office furniture and fixtures therein; (b) the value of all real estate in such city to which such association holds title; (c) the value of its assets therein in excess of an amount representing the total of (1) accounts payable and notes payable owing by such association, (2) the book value of the shares outstanding, and (3) the assessed value of the furniture and fixtures and real estate held by such association and rendered by it for taxation.

Sec. 55. Consolidation. At the annual meeting, or at any meeting called for that purpose, any two or more building and loan associations organized under the laws of this State may, by vote of two-thirds of all shareholders of each of the different associations, resolve to consolidate into one association upon such terms as shall be mutually agreed upon by the directors of such associations; or any such association may transfer its engagements, funds and property to any other such association upon such terms as may be agreed upon by its board of directors when approved by two-thirds of all the shares of all members convened in special meeting for that purpose, the notice sent to each member of record specifically stating the object of

the meeting; if such notice shall state affirmatively the terms upon which said consolidation is contemplated and shall state that any member not present at the meeting in person or by representative will be regarded as having voted for the transfer or consolidation, such absent member shall be counted as being among the required two-thirds affirmative vote; but such transfer shall not prejudice the right of any creditor of any such association to have payment of his debt out of the assets and property thereof, nor shall any creditor be thereby deprived of or prejudiced in any right of action then existing against the officers or directors of said association for any neglect or misconduct; providing, that the reorganized association shall be liable for all obligations to stockholders of the associations existing prior to such consolidation; and providing further, that no consolidation or transfer provided herein shall take effect until the terms and conditions have been approved by the Banking Commissioner of Texas, and until a copy of this resolution, certified by a majority of the board of directors of each association, shall be filed with said Banking Commissioner of Texas and recorded in the same manner hereinbefore provided for amendments to charters.

Sec. 56. Voluntary Liquidation. At the annual meeting, or at any meeting called for that purpose, any building and loan association of this State may, by a vote of shareholders owning two-thirds of the voting shares in force, resolve to liquidate and dissolve the corporation; providing, that before such resolution shall take effect, a copy thereof, certified to by the president and the secretary of such association, together with an itemized statement of its assets and liabilities, sworn to by a majority of its board of directors, shall be filed with the Banking Commissioner of Texas. When the Banking Commissioner of Texas has approved such resolution, it shall thereafter be unlawful for such association to issue stock or make any loans, but all its income and receipts in excess of actual expense of management shall be applied to the discharge of its liabilities; and the officers of the association, under the direction of its board of directors, shall thereupon proceed to liquidate the affairs of the association and reduce the assets thereof to cash and distribute the same among the shareholders in proportion to the withdrawal value of the holdings of each

shareholder at the time of the passage of the resolution to dissolve.

Sec. 57. Reduction of Liability to Members. Whenever the losses of any building and loan association, resulting from depreciation in value of its securities or otherwise, exceed its contingent reserve fund, undivided profits and current earnings, so that the estimated value of its assets is less than the total amount due its members, the Banking Commissioner of Texas, upon petition of such building and loan association, may order a reduction of its liability to its members, except upon juvenile shares, in such manner as to distribute the loss equitably among such members. If, thereafter, such association shall realize from such assets a greater amount than was fixed in the order of reduction, such excess shall be divided among members whose credits were so reduced, but to the extent of such reduction only.

Sec. 58. Foreign Building and Loan Associations. Foreign building and loan associations may do business in this State in accordance with the laws of this State governing building and loan associations; provided, however, that said inhibition and subsequent requirements as to deposit of securities or surety bond by foreign corporations, as provided in Section 59, shall not be held to apply to a foreign association whose domicile is in a city of a population of five thousand or more adjoining the State of Texas and the business of which association in Texas is confined to the county to which such city adjoins.

Sec. 50. Certificate of Authority. No foreign building and loan association shall do any business in this State until it has procured from the Banking Commissioner of Texas a certificate of authority to do so, and no certificate of authority shall be issued until the said Commissioner shall be satisfied that the requirements of this law have been fully met by such company. Before such certificate of authority shall be issued, such foreign building and loan association shall comply with the following provisions: (1) It shall file with the Banking Commissioner of Texas a certified copy of its articles of incorporation, a copy of its by-laws and rules governing it, and of its certificates and all printed matter issued by it, together with a statement of financial condition such as is required semi-annually from all building and loan associations organized under the laws of this State. (2) It shall file with the Banking Commissioner of Texas a written instrument,

properly executed, agreeing irrevocably that any summons or process of any court in this State may issue against it from any county in this State, and, when served upon the Banking Commissioner of Texas, shall be accepted as a valid service upon such foreign association; provided, however, that the Banking Commissioner of Texas shall mail a copy of such legal process served upon its chairman to the home office of such foreign association, and the Banking Commissioner of Texas shall, within six days, certify to the court from which such summons or process issued the fact of such mailing. The plaintiff shall, for each process so served, pay to the Banking Commissioner of Texas, at the time of such service, a fee of two dollars, which shall be recovered by the plaintiff as a part of the taxable costs if he prevail in the suit. (3) It shall deposit with the Banking Commissioner of Texas one hundred thousand dollars in cash or bonds of the United States, or bonds of any State of the United States, or bonds of any county or municipal corporation in the State of Texas, or mortgages being first liens on improved and productive real estate located within this State and worth at least twice the amount of the liens, which securities shall be approved in advance by the Banking Commissioner of Texas. The Banking Commissioner of Texas shall have authority to require such associations to deposit additional securities and to order a change in any of the securities so deposited at any time. Such deposit shall be held as security for all claims of residents of this State against such foreign association, and shall be liable for all judgments or decrees thereon; and said securities shall not be released until all its obligations to residents of this State shall have been fully performed and discharged. Such foreign associations may collect and use the interest on any securities so deposited so long as it fulfills its obligations and complies with the provisions of this act. It may also exchange them for other securities of equal value, if satisfactory to the Banking Commissioner of Texas. Any foreign building and loan association may, in lieu of the deposit of securities as herein provided, deposit with the Banking Commissioner of Texas a surety company bond in the sum of one hundred thousand dollars (\$100,000) which bond shall be conditioned for the payment of any judgment entered against such foreign building and loan association by any court of competent

jurisdiction in this State, in favor of any resident of this State. Such judgment creditor shall have the right to bring suit on such bond in his own name in the county in which such judgment is rendered, and any resident of this State, having a claim against such foreign building and loan association, may bring suit in his own name against such surety company by joining such surety company with such foreign building and loan association as parties defendant. If the business of such association in this State be solely that of lending money in this State, and it sells none of its stock in this State except where loans are actually made on real estate in this State for the full amount of the stock so sold, and made at the time of the sale of such stock, then, in such event, the provision of this section requiring a deposit or bond of one hundred thousand dollars shall not apply.

Sec. 60. Securities to Be Deposited With State Treasurer. All such securities deposited with the Banking Commissioner of Texas shall be immediately deposited by them with the State Treasurer, who, with his sureties, shall be responsible for the safe keeping thereof. The State Treasurer shall deliver such securities only upon the written order of the Banking Commissioner of Texas.

Sec. 61. Certificate to Foreign Associations. Whenever such foreign association has complied with the provisions of this act and has furnished a full and complete statement of its financial affairs, duly sworn to by its president and secretary, and said financial status of such association has been verified by an examination of its assets and its records for the purpose of ascertaining whether the same meet the requirements of this law, said examination to be made by the Banking Commissioner of Texas or his duly authorized representative, for which examination the said foreign association shall pay in the same manner as hereinafter specified for regular examinations, the Banking Commissioner of Texas, if he be satisfied that such association is in sound financial condition, and that it is conducting its business in accordance with the laws of this State, and if he shall regard such association as safe, reliable and entitled to public confidence, he shall issue certificate of authority to such association to do business in this State upon the payment of fees as herein provided. Provided, that the Banking Commissioner of Texas may accept, in his discretion, a report of an examination of the affairs

of such company made by a supervising officer of its own State under lawful authority. Such certificate shall be for the period of one year and must be renewed each year.

Sec. 62. Fees to Be Paid. All foreign building and loan associations shall pay to the Banking Commissioner of Texas the following fees, which shall be paid to the State Treasurer as hereinbefore provided, to-wit: For filing each application for admission to do business in this State, fifty dollars; for each certificate of authority and annual renewal of the same, twenty-five dollars; and an annual franchise tax of two hundred and fifty dollars.

Sec. 63. In Event of Unsatisfied Judgments. If at any time any borrower from such foreign association residing in this State shall recover judgment against such foreign association, and which after thirty days shall not have been satisfied, the State Treasurer, upon an order from the Banking Commissioner of Texas, shall proceed to sell at current market value sufficient of the bonds, or collect sufficient of the mortgage securities deposited with him, to satisfy the amount of such judgment, together with five per cent for his services and expense; provided, that before ordering the State Treasurer to dispose of such securities as aforesaid, the Banking Commissioner of Texas shall be served with an affidavit by the plaintiff or his attorney, setting forth the recovery of judgment, and that the same has remained unpaid for thirty days; and that no proceedings are pending for appeal or reversal of the same; provided further, that such foreign association, after notice of the service of such affidavits, shall not transact any new business in this State until any deficiency of securities caused by the necessity of satisfying such judgments shall have been made good by further deposit of similar securities with the Banking Commissioner of Texas.

Sec. 64. Examinations. Every foreign building and loan association doing business in this State shall be subject to the same examinations as are building and loan associations organized under the laws of this State; provided, that the expense of all examinations of such foreign associations shall be paid by the association examined, upon bill approved by the Banking Commissioner of Texas; provided, it shall not be necessary for such examination to be made but once in each year; provided further, that such expense shall only

include necessary traveling expenses of such examiner and the sum of not more than twenty-five dollars per day for each day actually required in making such examinations.

Sec. 65. Certificate of Authority May Be Revoked. Should the Banking Commissioner of Texas find, upon examination, that such foreign association does not conduct its business in accordance with law, or that the affairs of such association are in unsound condition, or if such foreign association refuses to permit examination to be made, he may revoke the certificate of authority granted to such foreign association to do business in this State; provided, that upon revocation of certificate of authority, the Banking Commissioner of Texas shall mail a notice thereof to the home office of such foreign association and cause a similar notice to be published in at least one newspaper published in the city of Austin. After publication of said notice, it shall be unlawful for any agent of such foreign association to transact any business in this State, except to receive payments to apply on loan contracts then in effect.

Sec. 66. Contracts Deemed Made in This State. Any contract made by any foreign association with any citizen of this State shall be deemed and considered a Texas contract and shall be so construed by all the courts of this State according to the laws thereof.

Sec. 67. Compliance with Provisions of Act Essential. No foreign building and loan association shall be permitted to do business in this State unless all the provisions of this act are fully complied with and all contracts made by such foreign building and loan associations while in default shall be absolutely void. All of the rules and regulations, and all the terms and conditions herein contained applicable to the operation of domestic companies, are hereby expressly made applicable to foreign companies under this act. Any such association violating any of the provisions of this act, or failing to comply with any of its provisions, shall be subject to a fine of not less than one hundred dollars nor more than five hundred dollars, such fine to be recovered by an action in the name of the State of Texas in any court of competent jurisdiction and, upon the collection thereof, the same shall be paid into the State Treasury. Foreign building and loan associations that are duly authorized to do a building and loan business in this State at the time of the taking effect

of this act shall have sixty days from the date on which this act takes effect to comply with the provisions of this act as set forth in Section 59; provided, however, that the Banking Commissioner may, in his discretion, grant to any such association such extension of time as may, in his discretion, seem necessary or proper.

Sec. 68. Appointment of Agents; Penalty for Selling Stock of Unauthorized Association. Each foreign building and loan association shall within sixty days after this act takes effect, file with the Banking Commissioner of Texas, a written statement, naming each and every other person authorized in this State to solicit stock subscriptions or to accept loan applications for such company; such statements may be added to from time to time, and shall, in addition to the name, give the post office address of such agent. It shall be unlawful for any person to act as agent for any foreign building and loan association unless he has been so designated by such foreign company and his name filed with the Banking Commissioner of Texas and it shall be unlawful for any person to act as agent for any building and loan association not authorized to do business in this State; and any person or persons acting for such association without the proper filing of his name as authorized agent, and any person or persons acting for such unauthorized association, or in any manner aiding in the transaction of the business of such association in this State, shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine of not less than fifty dollars nor more than five hundred dollars for each offense, and in default of payment of such fine shall be imprisoned in the county jail for a period not exceeding one year. All fines collected under the provisions of this section shall be paid into the State Treasury.

Sec. 69. Defining Foreign Association. All building and loan associations, under the laws of any other State or the District of Columbia, shall be deemed a "foreign building and loan association," and shall obtain from the Banking Commissioner of Texas a permit or certificate of authority before transacting business in this State, which permit or certificate of authority shall be given only and in the same manner and under like conditions, regulations and discretion, and upon the filing of like papers, documents and statements

as set out in Section 56 of this act, requiring foreign building and loan associations to obtain certificates of authority before beginning business. A failure to procure such permit or certificate of authority before beginning or continuing business (if already engaged in such business when this act takes effect) within the time provided by Section 67 of this act, shall be a misdemeanor and subject the offender, its or their officers, agents and representatives to a fine of not more than five hundred dollars, and each separate business transaction shall constitute a separate offense.

Sec. 70. Slander. Any person who shall knowingly make, utter, circulate or transmit to another, or others, any statement untrue in fact, derogatory to the financial condition of any building and loan association, in this State, with intent to injure any such financial institution, or who shall counsel, aid, procure or induce another or originate, make, utter, transmit or circulate any such statement or rumor, with like intent, shall be guilty of an offense and upon conviction shall be punished by a fine not more than twenty-five hundred dollars or by imprisonment in the State penitentiary for a period not exceeding two years or both by such fine and imprisonment.

Sec. 71. Penalty for Embezzlement, etc. Every officer, director, member of any committee, clerk or agent of any building and loan association doing business in this State who embezzles, abstracts or misapplies any of the moneys, funds or credits of such association, who issues or puts into circulation any warrant or other orders, without proper authority, who issues, assigns, transfers, cancels or delivers up any note, bond, draft, mortgage judgment decree or any other written instrument belonging to such association, who certifies to or makes a false entry in any book, report or statement of or to such association, with intent in either case to deceive, injure or defraud such association, or any member thereof, or for the purpose of inducing any person to become a member thereof, or to deceive anyone appointed to examine the affairs of such association, shall be deemed guilty of a felony and on conviction thereof shall be imprisoned in the State penitentiary for a period of not less than one year nor more than ten years. Whoever, with intent to deceive, injure or defraud a building and loan association, as provided by law, or other company, corpora-

tion or person, aids or abets any officer, member of any committee or other person in committing any of the prohibited acts enumerated herein shall be deemed guilty of a felony, and on conviction thereof shall be imprisoned in the State penitentiary for a period of not less than one year nor more than ten years.

Sec. 72. Penalty for Declaring Greater Dividends than Earned. Any member of the board of directors of a building and loan association who knowingly votes to declare or, being secretary or manager thereof, who wilfully declares or advises the board of directors thereof to declare a greater dividend than has actually been earned, or has been previously accumulated as surplus by such association, shall personally refund same and be liable to the corporation therefor jointly and severally.

Sec. 73. Penalty for Failing to Comply with Law. Any building and loan association failing to comply with the provisions of this law shall pay five dollars per day for each day it so fails after notice of the delinquency by the Banking Commissioner of Texas.

Sec. 74. Penalty for Misrepresentation. Any person who knowingly and maliciously or with intent to defraud, makes any false or fraudulent statement concerning any association or its affairs shall be guilty of a misdemeanor and fined in the sum of one thousand dollars, or be imprisoned for thirty days.

Sec. 75. Penalty for Suppressing Evidence. Every officer, director, employee or agent of any building and loan association who, for the purpose of concealing any fact or suppressing any evidence against himself or against any other person, abstracts, removes, mutilates, destroys or secretes any paper, book or record of any building and loan association or of the Banking Commissioner of Texas, shall be deemed guilty of a felony, and upon conviction therefor, shall be punished by confinement in the State penitentiary for a period of not less than one year nor more than five years.

Sec. 76. Restrictions to use name "Building and Loan." No person, firm, company, association, co-partnership, or corporation, either domestic or foreign, unless he or it is lawfully authorized to do business in this State under the provisions of this act, and is actually engaged in carrying on a building and loan business in this State under the provisions of this act, shall hereafter transact business under any name or

title which contains the term "building and loan" nor use any sign or circulate or use any letterhead, billhead, circular, or paper whatever, or advertise in any manner, which indicates that his or its business is the character or kind of business carried on or transacted by a building and loan association, or which is calculated to lead the public to believe that his or its business is that of a building and loan association. Upon action brought by the Banking Commissioner of Texas, injunction will also lie to restrain any person, firm, company, co-partnership, corporation, or agent thereof from continuing to violate any provisions of this section.

Sec. 77. Repealing Conflicting Acts. All acts and parts of acts in conflict herewith be and the same are hereby repealed, provided, however, that corporations organized and now operating under the existing building and loan laws of this State shall continue their corporate existence and powers subject to all other provisions of this act. It is provided further that in case any section or clause, sentence, paragraph or part of this act shall for any reason be adjudged by any court of competent or final jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder of this act but shall be confined in its operation to the section, clause, sentence, paragraph or part thereof directly involved in the controversy in which such judgment shall have been rendered.

Sec. 78. Emergency Clause. The fact that the laws of this State providing for the incorporation and regulation of building and loan associations are wholly inadequate, and the further fact that it is for the benefit of the general public who are investing in and borrowing

from such associations that this act should take effect as soon as possible, creates an emergency and an imperative public necessity and that the constitutional rule requiring bills to be read on three several days in each House be suspended and said rule is hereby suspended and that this act shall take effect and be in force from and after its passage, and it is so enacted.

BARRY MILLER,
President of the Senate.
W. S. BARRON,
Speaker of the House of Representatives.

I hereby certify that Senate bill No. 111 passed the Senate finally by a two-thirds vote of 28 ayes, 0 nays, on June 20, 1929, and that the Senate concurred in House amendments on June 25, 1929, by the following vote: 30 yeas, 0 nays.

BOB BARKER,
Secretary of the Senate.

I hereby certify that Senate bill No. 111 passed the House of Representatives with amendments on June 25, 1929, by the following vote: 104 yeas, 3 nays.

LOUISE SNOW PHINNEY,
Chief Clerk of the House of Representatives.

Received in the Executive office, this 25th day of June, A. D. 1929, at 3 o'clock and 30 minutes p. m.

M. L. WIGINTON,
Secretary to the Governor.

Received in Department of State, this 26th day of June, A. D. 1929, at 4 o'clock and 50 minutes p. m.

JANE Y. McCALLUM,
Secretary of State.

(Effective July 22, 1929.)

STATEMENT BY TEXAS LEAGUE FOR EQUAL AND UNIFORM TAXATION.

Mr. Eickenroht sent up and had read the following statement, which was ordered printed in the Journal:

Texas League for Equal and Uniform Taxation.
San Antonio, Texas, 303 Central Office Building.

B. W. Teagarden, President.

Gus Reininger, Manager.

The records disclose the fact that the present rural aid law operates very discriminatingly against all counties that have at least a reasonable percentage assessed on their taxables. In such counties the local tax levy of 75 cents on the \$100 assessed property valuation will raise three times the revenue that the same levy will produce on taxables of equal value but located in counties that assess on a very low percentage basis. For that reason the latter counties will

become the real beneficiaries in the distribution of the aid fund. The table below shows the proportional benefits received by the counties during the eleven-year period, 1915-1926:

	Amount paid into the aid fund, 1915-1926.	Amount received back from the aid fund, 1915-1926.	Excess received over the amount paid into the aid fund, 1915-1926.	Number bales of cotton raised in 1926.	Number bales of cotton raised in 1927.
Shelby county	\$ 50,292	\$ 166,339	\$ 116,047	33,251	22,086
Cass county	44,783	138,293	93,510	45,381	36,090
Upshur county	39,046	123,002	83,956	29,546	24,259
Fannin county	140,377	235,784	95,467	47,471	34,685
Rusk county	47,241	177,830	130,589	43,821	36,390
Cherokee county	77,140	184,651	107,592	28,167	23,076
Anderson county	86,316	151,879	63,564	24,127	18,270
Van Zandt county	72,607	291,589	218,974	23,646	33,524
Hopkins county	64,860	244,555	179,685	26,132	28,298
	<hr/> \$624,630	<hr/> \$1,713,924	<hr/> \$1,089,294		

Number of bales of cotton raised by the above counties indicate that they are not poor counties.

	Amount paid into aid fund during 11-year period, 1915-1926.	Amount received back from the aid fund during the 11-year period, 1915-1926.	Excess paid into the aid fund over the amount received back, 1915-1926.
Nueces county	\$ 122,361	\$ 44,786	\$ 77,565
San Patricio county	57,845	16,705	41,140
Webb county	75,608	nil	75,608
Frio county	46,416	17,577	28,839
DeWitt county	120,341	8,620	111,721
Karnes county	62,802	26,018	36,784
Wilson county	61,441	19,100	42,341
Medina county	74,618	25,855	48,763
Gillespie county	42,926	15,057	27,870
Caldwell county	92,035	37,395	54,660
Hays county	66,805	32,894	33,911
Guadalupe county	85,050	27,264	57,736
Gonzales county	89,362	34,030	55,312
Travis county	241,569	66,579	174,990
Williamson county	175,394	75,414	101,980
Fayette county	119,001	26,616	92,436
Colorado county	86,294	20,264	65,999
Comal county	48,316	1,260	47,056
	<hr/> \$1,661,255	<hr/> \$489,364	<hr/> \$1,171,891

	Assessed value of all property for 1920.	Assessed value of all property for 1927.	State ad valorem revenue and school poll paid, 1927.	Received through apportionment for text books and aid, 1927.
Cass county	\$ 8,263,000	\$ 6,919,000	\$ 48,745	\$161,675
Hopkins county	11,327,000	8,948,000	61,787	192,361
Van Zandt county	12,445,000	9,659,000	66,520	175,128
	<u>\$32,035,000</u>	<u>\$25,536,000</u>	<u>\$177,052</u>	<u>\$529,194</u>

Excess received back over amount paid in for the year 1927, \$352,142.

The fact that for the eight years, 1920-1927, inclusive, two-thirds of the entire State ad valorem taxes were paid for the education of the children in the public schools, and the indisputable fact that the percentage assessed as between counties ranges from 15 to 40 per cent, should be convincing evidence that the present system retards the progress of education and our public school system, in that it fails to secure for the educational fund the pro rata proportion from each county and is, therefore, radically wrong and in direct conflict with the provisions of Section one (1), Article eight (8), of our State Constitution.

The data hereinafter submitted is taken from the report of the Federal government for the 1920 census and the Comptroller's report for the year 1928:

	Value of total acreage and farm buildings reported to the government for 1920 census.	Assessed value of acreage and farm buildings for the year 1928.	Assessed value of all property as shown by the Comptroller's report for year 1928.
Wood county	\$15,983,000	\$ 4,039,000 (25%)	\$ 8,406,000
Titus county	10,932,000	2,887,000 (26%)	4,725,000
Cass county	13,412,000	3,612,000 (27%)	6,680,000
Hopkins county	30,718,000	4,721,000 (15%)	8,803,000
Van Zandt county	23,505,000	5,830,000 (25%)	9,575,000
Fannin county	58,665,000	11,532,000 (20%)	10,585,000
Williamson county	56,722,000	18,208,000 (32%)	30,862,000
Fayette county	26,100,000	9,943,000 (38%)	18,764,000
DeWitt county	31,254,000	8,690,000 (28%)	18,316,000
Hays county	13,568,000	5,273,000 (39%)	9,536,000
Travis county	34,602,000	11,532,000 (33%)	44,841,000

The average assessed by the upper group on acreage and farm buildings is 21.50 per cent. The average assessed by the lower group on acre and farm buildings is 33.08 per cent. The result is that the upper group is under-assessed on the taxables indicated in the sum of \$17,752,719 as compared with the percentage assessed by the lower group on the same class of taxables.

Taxation shall be equal and uniform. Is it? The table following shows distinctly the unfair distribution of the aid fund:

	Number of scholastics in common schools.	Aid received during the 11-year period, 1915- 1926.
Bell county	5547	\$197,457
Milam county	7197	102,442
Van Zandt county	5618	291,581
Bexar county	5875	22,005
McLennan county	4099	91,340
Hood county	1162	44,965
Fannin county	6306	235,794
Gonzales county	5136	34,030
Caldwell county	3466	37,395
Williamson county	5211	73,414
Fayette county	6179	26,515
Hopkins county	5942	244,555
Dallas county	5993	127,032
Harris county	4443	85,640
Erath county	3541	186,136
Guadalupe county	5951	27,264
DeWitt county	4034	8,620
Falls county	5859	75,655

The rural aid bill prepared by the League will, unquestionably, equalize the distribution of the aid fund.

The fact that the other rural aid bill, providing for an appropriation of five million dollars (\$5,000,000), comes from Graves, Hood and Erath counties, clearly indicates that there exists a full knowledge of the benefits to be derived from such legislation by the low percentage assessed counties. The record shows that Hood county has only increased its assessment 37 per cent over that of 1906, the year prior to the enactment of the full rendition law; Erath county added 57 per cent to its assessment of 1906, Fannin county 49 per cent, Hopkins county 50 per cent, Van Zandt county 63 per cent, Hunt county 75 per cent, and Wood county 85 per cent. Hays county increased its assessment over that of 1906 130 per cent, Comal county 190 per cent, DeWitt county 157 per cent, Lavaca county 164 per cent, Guadalupe county 152 per cent, Gonzales county 100 per cent, Williamson county 100 per cent, Fayette county 111 per cent, Medina county 184 per cent, Nueces county 357 per cent, Bexar county 325 per cent, Travis county 165 per cent. The increase by the State as a whole over the valuation of 1906 is 224 per cent.

SIXTH DAY.

(Wednesday, July 10, 1929.)

The House met at 10 o'clock a. m., pursuant to adjournment, and was called to order by Speaker Barron.

The roll was called and the following members were present:

Mr. Speaker.	Albritton.
Acker.	Baker.
Ackerman.	Barnett.
Adkins.	Bateman.

Bond.	Enderby.
Bounds.	Ewing.
Bradley.	Finlay.
Brice.	Forbes.
Brooks.	Gates.
Carpenter.	Gerron.
Coltrin.	Gilbert.
Conway.	Giles.
Cox of Navarro.	Graves
Cox of Lamar.	of Williamson.
Cox of Limestone.	Graves of Erath.
Davis.	Hardy.
DeWolfe.	Harding.
Dunlap.	Harper.